Daily Report

East Europe

FBIS-EEU-91-101
Friday
24 May 1991

NOTICE

NEW FBIS REPORT ON SOVIET REPUBLIC AFFAIRS

In May FBIS will begin publication of a new report entitled ***FBIS Report/Soviet Union: Republic Affairs.*** The report will contain open-source material from the Soviet Union on a wide range of republic political, economic, military and social issues. Material on the Soviet republics that was previously published in the JPRS reports ***Soviet Union: Political Affairs*** and ***Soviet Union: Economic Affairs*** will now appear in the new ***FBIS Report/Soviet Union: Republic Affairs***. The ***Daily Report: Soviet Union*** will continue to publish current material on the Soviet republics, but less time-sensitive items that formerly appeared in that publication will now be found in ***FBIS Report/Soviet Union: Republic Affairs.***

TO SUBSCRIBE:

U.S. Government

U.S. Government subscribers to JPRS reports ***Soviet Union: Political Affairs; Soviet Union: Economic Affairs;*** and ***Daily Report: Soviet Union*** will automatically receive the new ***FBIS Report/Soviet Union: Republic Affairs*** report.

U.S. Government subscribers who do not currently subscribe to the reports mentioned above may obtain subscriptions to ***FBIS Report/Soviet Union: Republic Affairs*** at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P O Box 2604, Washington, DC. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, DC, 20301 (Telephone: (202) 373-3771, Autovon: 243-3771).

Public Sector

The public may subscribe to ***FBIS Report/Soviet Union: Republic Affairs*** through the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 (Telephone: (703) 487-4630). Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers.

Daily Report
East Europe

FBIS-EEU-91-101 24 May 1991

CONTENTS

NOTICE TO READERS: • indicates material not disseminated in electronic form.

INTRABLOC AFFAIRS

Envoys Propose Measures for Better Cooperation *[CTK]* 1
CTK, MTI, PAP View Joint Economic Service *[CTK]* 1
Study Examines State of Societies, Relations *[CTK]* 1

ALBANIA

Government Statement Issued on Extent of Strike *[ATA]* 2
Government Deplores Statements by Strike Leader *[ATA]* 2
Government Meets With Local Authorities on Strike *[ATA]* 2
Government Statement on Strikes, Workers' Concerns *[Tirana Radio]* 3
Ministry Statement on Effects of Strike *[Tirana Radio]* 3
Elbasan TU Federation Protests 'Imposed' Strike *[Tirana Radio]* 4
Islami Speaks at Pro-Government Rally in Ballsh *[Tirana Radio]* 4
Council of Europe Delegation Pays Official Visit *[ATA]* 4
Meets With Foreign Minister Kapllani *[ATA]* 5
Received by Premier Nano *[ATA]* 5
Received by President Alia *[ATA]* 6

BULGARIA

DUMA Article Accuses U.S. of 'Intervening' *[BTA]* 7
Zhelev Speaks at Cyril, Methodius Day Ceremony *[Sofia Radio]* 7
Ludzhev, Vulkov Urge BSP To Deliver Archives *[BTA]* 7
Ri[illegible] Continues Between SDS Assembly Members *[BTA]* 8
Nikola Petkov BZNS Member on Election *[ANTENI 15 May]* 8
BNDP Elects Stoyanov Chairman *[DUMA 20 May]* 9
Podkrepa Briefing on Relations With Government *[BTA]* 10
Situation of Citizens Living in USSR Described *[FAKS 17 May]* 10
Former Communist Policy in Macedonia Attacked *[BTA]* 11

CZECHOSLOVAKIA

Dienstbier Seeks Early End to Withdrawal Talks *[CTK]* 12
Deputy Kocab Queried on Soviet Troop Withdrawal *[RUDE PRAVO 15 May]* 12
Calfa, EC Official Discuss Agreement, Markets *[CTK]* 13
Slovakia Admitted to Danube Region Community *[Bratislava PRAVDA 18 May]* 13
Czech Prime Minister Comments on Army Deployment *[SVOBODNE SLOVO 17 May]* 13
Czech National Council Holds Closed-Door Session *[Prague TV]* 14
Czech National Council 19th Session Ends *[Prague Radio]* 14
Klaus Budget Report to Assembly Described *[CTK]* 15
Screening Commission Wants StB Names Published *[CTK]* 15
No Conclusion on StB Collaboration Issue *[CTK]* 16
Nonparty Members Reject Dubcek Leadership *[CTK]* 16
Assembly Approves Waste, Budget Resolutions *[CTK]* 16
Assembly Resolution Criticizes Communist Rule *[CTK]* 17

HUNGARY

Goncz Arrives on 'Unofficial Visit' to U.S. *[MTI]* 18
Visits Hartford University *[MTI]* 18

Delivers Speech in Cleveland *[MTI]* 18
Prime Minister Antall Interviewed on Paris Visit *[Budapest Radio]* 18
Editorial Analyzes Relations After CEMA *[Kocsi in MAGYAR HIRLAP 21 May]* 19
Trade Ties, Solutions Discussed With USSR *[MTI]* 19
Yugoslav Bank To Resume Activities in Country *[MTI]* 20
Greek Foreign Minister Samaras Ends Visit *[MTI]* 20

POLAND

Solidarity Resolution Prompts Nationwide Strikes *[PAP]* 21
Citizens Committees Support Solidarity Protest *[RZECZPOSPOLITA 20 May]* 21
Army To Organize Other Transport During Strike *[PAP]* 22
Transport Workers End Strike *[PAP]* 22
April Economic Indicators Paint Grim Picture *[TRYBUNA 21 May]* 22
Balcerowicz Addresses Sejm on Economic Situation *[Warsaw Radio]* 22
New Measures on Foreign Deserters, Privatization *[PAP]* 27
Liberal-Democratic Congress Leader Interviewed *[RZECZPOSPOLITA 20 May]* 28
Walesa Hails New Stage in Joint Jewish Relations *[PAP]* 28

ROMANIA

Prime Minister Continues Visit to Gulf States 29
Makes Statement at Kuwait Briefing *[ROMPRES]* 29
Signs Cooperation Agreements in Kuwait *[ROMPRES]* 29
Arrives in UAE, Holds Talks *[ROMPRES]* 30
Meets UAE President, Others *[ROMPRES]* 30
Danish Foreign Minister Pays Official Visit 30
Arrives; Met by Nastase *[ROMPRES]* 30
Begins Talks With Nastase *[ROMPRES]* 31
Received by President Iliescu *[ROMPRES]* 31
Significance of Nastase's London Visit Viewed *[ADEVARUL 14 May]* 31
New Hungarian Daily Published in Country *[MTI]* 31
Several Parties Merge To Form Democratic Party *[ROMPRES]* 32
Independent Group for Democracy Issues Declaration *[DREPTATEA 17 May]* 32
UDMR Explains Reasons for Leaving Parliament *[ROMPRES]* 32
Vatra Romaneasca National Conference Analyzed *[ADEVARUL 14 May]* 32

YUGOSLAVIA

Mesic Interviewed on Army, Ethnic Tensions *[Milan EUROPEO 24 May]* 34
Federal Prime Minister on Reform, Ethnic Conflict *[Paris LE MONDE 23 May]* 35
Presidency To Be Given Chance To Function *[TANJUG]* 37
JNA-Slovene Challenge, Maribor Events Reported 37
Slovene View on JNA Service; Dispute Noted *[Belgrade Radio]* 37
Slovenia Begins 'Partial Mobilization' *[TANJUG]* 38
Defense Minister on Army Activity *[Ljubljana Radio]* 38
'Greater Conflict' Possible *[TANJUG]* 39
Commander Arrested; Reaction *[TANJUG]* 39
Army Withdraws Blockade of Defense Center *[TANJUG]* 39
Slovenian Secretariats Protest Army Arrest *[TANJUG]* 39
Tense Situation in Maribor Described *[Vienna Radio]* 40
Slovene Presidency on 'Premeditated' Incident *[TANJUG]* 40
Peterle on Financial Aspects of Division *[NEODVISNI DNEVNIK 10 May]* 41
Slovene News Briefing on Military Service Law *[TANJUG]* 42
Ljubljana Daily Warns Against 'War of Nerves' *[TANJUG]* 43
Tudjman Chairs Croatian Supreme Council Session *[TANJUG]* 43
Croatian Information Ministry Criticizes YUTEL *[TANJUG]* 44
Internal Affairs Official on Knin Situation *[TANJUG]* 44
Croatia Approves Consulates, Deputy Ministers *[Zagreb Radio]* 44
Democratic Party Urges Early Elections in Serbia *[TANJUG]* 44
Envoy to U.S. Hopes For Annulment of Amendment *[TANJUG]* 45
Spokesman Views International Relations Issues *[TANJUG]* 45

Envoys Propose Measures for Better Cooperation

LD1405221591 Prague CTK in English 1716 GMT 14 May 91

[Text] Prague May 14 (CTK)—The ambassadors of Czechoslovakia, Hungary and Poland decided at their meeting here to propose to their governments the creation of legislative conditions for effective communication especially in the economy as is usual in the West.

During their two-day discussions, which ended today, the ambassadors agreed on the need to establish a joint bank which would make payments between the three countries easier.

The ambassadors also believe cultural relations between their countries must be put on a new footing. They proposed joint television broadcasts and the establishment of a Visegrad foundation to promote the three countries' relations.

Visegrad in Hungary was the venue of a meeting of leading repesentatives of the three countries on February 15, 1991.

CTK, MTI, PAP View Joint Economic Service

LD1705093391 Prague CTK in English 1837 GMT 16 May 91

[Text] High Tatras, North Slovakia, May 16 (CTK)—The establishment of a joint network focusing on economic news services and their commercial use was discussed by the directors general and other leading representatives of MTI, PAP and CTK, the Hungarian, Polish and Czechoslovak news agencies respectively, at their meeting in the high Tatra mountains yesterday and today.

They agreed that the three agencies face similar problems in their countries' transition to a market economy and that technological modernisation will be their common priority.

They noted that the legal status of their agencies has changed and they are more economically and politically independent of their states than before.

The meeting was inspired by the talks of the presidents of Hungary, Poland and Czechoslovakia in Viszegrad, Hungary, last February 15.

Study Examines State of Societies, Relations

LD2405011891 Prague CTK in English 1504 GMT 23 May 91

[Text] Prague May 23 (CTK)—In spite of certain differences the attitudes of Czechoslovak, Hungarian and Polish citizens are similar, and orientation on Western culture prevails in these countries, Marek Boguszak, representative of the Group for Independent Social Analysis (AISA), told a press conference here today.

Boguszak briefed journalists on a research carried out by AISA in Czechoslovakia last January. The same research was carried out by "Median" in Hungary and "Demoskop" in Poland. The research was sponsored by the U.S. Freedom House and the American Jewish Committee.

A total of 60 per cent of Czechs and Slovaks consider the adoption of a new security plan for all Europe the best way for protecting their country. Only 44 per cent of Hungarians and 13 per cent of Poles share this opinion. 19 per cent of Czechs and Slovaks, 32 per cent of Hungarians and 22 per cent of Poles prefer neutrality.

The majority of respondents in the three countries had reserved attitudes to the Soviet Union. The Poles fear especially the development of Germany.

Low level in culture, high degree of intolerance and discrimination are common for the countries, these problems being most sensible in Czechoslovakia which is moreover dominated by a political disillusionment at present. All countries face disintegration moods and aggravating relations among people. This process is expected to last for several years.

Results of the research showed e.g. a specific attitude of Slovak citizens towards the Jewish population—the majority of Slovaks fear a certain kind of conspiracy, influence of a mighty group aiming to gain power and control over policy, culture and economy. The Slovaks have the least positive attitude to Western values, feeling strong powerlessness. They fear the growth of anti-democratic attitudes and authoritarian currents.

Government Statement Issued on Extent of Strike

AU2305140191 Tirana ATA in English 0938 GMT 23 May 91

[Announcement by the Press and Information Department at the Council of Ministers; date not given]

[Text] Tirana, May 23 (ATA)—According to informations by the Executive Committees of the districts of Tirana, Durres, Shkoder, Fier, Vlore, Pogradec, Korce on May 22, the state of the strike remains unchanged. Generally 20-30 percent of workers mainly of the key sectors of economy take part in the strike. Over 4,000 workers out of 21,000 workers of the Elbasan city are swept over in strike, whereas in Vlore 7,000, etc.

The strike is bring about damages due to the nonfunctioning of many automobile parks of the country, railways, etc.

The supply of some districts as Puke, Diber, Kukes, Mat, and Mirdite with cereals, food and combustibles has become difficult. The situation is very grave in the Valias mine. Contrary to the commitment of the United Independent Miners' Trade Unions over TV, measures were not taken in this mine to prevent the danger of destruction, as it has unstable formations.

Government Deplores Statements by Strike Leader

AU2305141991 Tirana ATA in English 0941 GMT 23 May 91

["Clarification" by the Press and Information Department of the Council of Ministers; place and date not given]

[Text] Tirana, May 23 (ATA)—During May 21, Valer Xheka, member of the Initiating Commission of the Independent Trade Unions granted interviews with the Radio and TV and with "The Voice of America," where he has voiced his opinion on the communique of the Council of Ministers dated May 20, 1991.

Not dwelling on the aggressive attacks and impermissible epithets Mr. Valer Xheka applied to the government, it is necessary to make clear the truth to the public opinion.

First, it should be stressed that the government contacted several times with representatives of the Union of Independent Trade Unions, before and after launching the strike. They were invited to attend the meeting of the Council of Ministers held on May 15, 1991, to discuss precisely on the study for the wage increase to the audience of representatives of the political parties, the Trade Unions Confederation and the trade union associations. But, strange enough, the Union of Independent Trade Unions send no representative. Nevertheless, on May 19, 1991, the minister, general secretary of the Council of Ministers Zydi Pepa met with the Initiating Commission of these trade unions in their seat and gave them the study on the wages and prices reform, submitted by the Ministry of Economy, in order to make remarks and suggestions. Its representatives were invited to take part in the meeting with the government on May 20, 1991. Again the Union of the Independent Trade Unions refused to take part and considered as sufficient only a letter where it agreed on the 50 percent wage increase and was against the liberalization of prices. Moreover, through written papers, which aimed at irritating the citizens, the study was exploited to be used in a false way.

Besides these, the Premier Fatos Nano and the Vice-Premier Shkelqim Cani have met with representatives of the trade unions of the metallurgical plant of Elbasan and railways.

Secondly, different from what Valer Xheka says, the 50 percent wage rise has nothing to do with the liberalization of the prices. Any change in prices, today and in the future, will be compensated with wage increases to the same extent with the increase of the index of the cost of living.

Thirdly, expressing himself against the policy of the prices' liberalization, Valer Xheka is in essence against the economic reform, against the transition of our economy to the market economy.

Such irresponsible statements imply either a misunderstanding of the government's program and of the prices' and wages' reform, or the aim to irritate the people, the workers and the people, in an attempt to gain personal popularity. The decision of the Council of Ministers on the 50 percent increase of the payments' fund, at a time when the economic situation is extremely difficult, meets the fundamental demand of the strikers. But to make this decision a real stimulus for the economy and the uplift of their living standard, it is indispensable to start work, to restore tranquility. The statement of Mister Xheka does not serve this aim.

Government Meets With Local Authorities on Strike

AU2305141591 Tirana ATA in English 0950 GMT 23 May 91

[Text] Tirana, May 23 (ATA)—An expanded meeting of the government with chairmen of the Executive Committees of the district people's councils, with chiefs of the sections of these apparatuses as well as with working people of the apparatus of the Council of Ministers, was held at the seat of the Prime Minister's Office on May 22, afternoon.

The chairman of the Council of Ministers, Fatos Nano, made an expose of the difficult economic, and sociopolitical situation, which further aggravated during this year and especially these days because of the strike going on in many districts of the country.

The premier underlined that our economy's transition to the market economy is the base of the government's program. He spoke on the tasks the government has set to the institutions for privatization, on the work carried out for an earlier drafting of the legal documentation and, at the same time criticised the delays observed in the work performed by the executive committees. The problem of applying the government's decision to strengthen the cooperativist yard and reorganise the agricultural cooperatives occupied a special place in this meeting.

The acknowledgement of the right to strike, the meeting underlined, is related to the democratization of the country's life. The duty of the institutions, executive committees and administrations of enterprises is to continue the dialogue with the leaders of the trade unions and solve the problems in time according to their competences. It was demanded that the strikes be disciplined on the basis of the legal provisions in power.

The participants in this meeting were charged with the duty to clarify the workers on the communique of the Council of Ministers on the payments and prices reform, on the solutions which meet the fundamental demands of the strikers, but which are misinterpreted for certain aims by some people in order to create political confusion and disbelief amongst the people. The trade unions are organisations for the defence of the interests of the workers and not structures of the state power.

The meeting discussed with special worry the strengthening and application of the laws and rules, the functioning of the organs for maintaining order so as to prevent unrests, the violation of the property and citizens' life, speculations of the most various forms and the excesses occurring frequently during these days.

Many participants discussed at the meeting. [sentence as received] They informed on the situation in their districts, expressed views and made proposals for its stabilization.

Government Statement on Strikes, Workers' Concerns

AU2305163691 Tirana Radio Tirana Network in Albanian 1600 GMT 23 May 91

[Statement issued by the Council of Ministers Press and Information Office; place and date not given]

[Text] Reports from the ministries and the district executive committees indicate a few changes in the strike situation. The workers at the Rubik copper-processing plant have ended their strike. In general, there are no more strikes in Mirdite District.

Many workers in Tirana enterprises, having decided to return to work, have issued complaints about illegal forms of pressure on the part of strike organizers and participants in the strikes. Citizens are asked to submit such complaints to the procurator. In the districts, the managements of some enterprises and the executive committees have begun to denounce illegal strikes and their organizers to the justice organs. Some enterprises, although not on strike, are prevented from working because of the lack of transportation, fuel, and raw materials.

As the minister of agriculture explained in his television interview yesterday, there are no grounds for the concern that has arisen in some villages about the study of wages and prices, because the study anticipates that a significant increase in the purchase prices for agricultural and dairy products and other preferential measures will protect the earnings of cooperatives and individuals. In the decisions it will make, the government will not fail to bear in mind the peasants' interests. A wide-ranging discussion will soon be held on television in response to the demands of many cooperativists and to explain this matter fully.

According to data possessed by the Council of Ministers' Press and Information Office, it appears that many workers have become concerned that the process of privatization of enterprises will lead to profits for many managers, who will become owners. The Council of Ministers is examining all the legal aspects of the process of privatization and confirms that the views of workers will be borne in mind in the privatization of all enterprises and that no speculation on the part of the enterprises' management and administration will be permitted.

[Signed] The Council of Ministers' Press and Information Office.

Ministry Statement on Effects of Strike

AU2305171891 Tirana Radio Tirana Network in Albanian 1600 GMT 23 May 91

[Statement issued by the Agriculture Ministry; place and date not given]

[Text] The continuing strikes at the port of Durres have, among other things, caused exceptional difficulties for the poultry farms of the districts of Tirana, Vlore, Korce, and Sarande. A quantity of corn is in the port, but, because strikers are not permitting it to be unloaded, not only will the aforementioned poultry farms not supply eggs to the people, but the hens will soon have to be slaughtered, and it will take about 18 months to replace them.

In recent days, about 24,000 fewer eggs per day have been produced by the Tirana poultry farms alone, and the loss of production due to a failure to feed the hens regularly is leading to production falling by 5,000 eggs per day from the total of 108,000-130,000 eggs produced daily before the strike. This poses a direct threat to supplies to the people.

It should be emphasized that foreign ships waiting to be unloaded must be paid in dollars for every day's delay.

The failure to unload the ship laden with corn has so far cost $8,000, and about $2,000 per day must be paid to each ship that has arrived with (?Eximagri) contracts. This foreign currency could be used for the purchase of other food.

Elbasan TU Federation Protests 'Imposed' Strike

AU2305201891 Tirana Radio Tirana Network in Albanian 1800 GMT 23 May 91

[Text] The Council of the Chemical and Metallurgical Trade Union Federation in Elbasan has addressed a statement to the Council of Ministers stating among other things that some enterprises in Elbasan, like in many other areas, have been involved in strikes in recent days. We support as fair all the demands of an economic nature that working people have laid before the government, and will insist on them being fulfilled; however, we do not think that they can all be solved at once, still less by a general strike. Everyone's right to strike is an expression of democracy, just as the right to work is an expression of democracy. We are, in practice, confronted by the fact that thousands of workers have had a strike imposed on them, something that is not in the least democratic. Specifically, the involvement of the city's bus drivers in the strike has deprived thousands of workers of the Metallurgical Combine of the right to work and to be paid for their work. Many of these workers are going to work in industrial vehicles, on foot, or by other means. We ask how the rule of law is operating, bearing in mind that the transportation sector is included in those sectors where strikes are forbidden by law. Likewise, the ministries should work with more responsibility to bring back to work those working people whose factories have closed because of shortages of raw materials. Our federation denounces the various forms of pressure and the threats to which working people have been subjected to in order to keep them from working, and disagrees with efforts to exploit the strike movement for political ends.

Islami Speaks at Pro-Government Rally in Ballsh

AU2305201391 Tirana Radio Tirana Network in Albanian 1800 GMT 23 May 91

[Text] At the request of the people of the Ballsh area, a great popular rally was held today in the square in front of the Turizmi Hotel in support of the government and its program. Inhabitants of the town and its surrounding villages and workers from the oil-processing combine and other enterprises took part. Kastriot Islami, president of the Presidency of the People's Assembly and a deputy for the Ballsh area, also attended.

The rally was opened by (?Latif Haria), chairman of the Presidium of the Democratic Front of the town's 5 February district. Comrade Kastriot Islami then spoke. He began by expressing his pleasure at meeting the district's electors in these important times through which our country is passing. He said among other things that the enthusiasm, trust, determination, and clear thinking of the people of the areas are more than ever necessary today to bolster confidence and strength throughout the country. He assured the local people that the government that has emerged from the pluralist legislature, whose composition includes honest and capable cadres and specialists in various fields, will work with determination, regardless of the major difficulties, and will aim at a national policy that will carry forward the processes of democratization and Albania's integration in Europe. At this moment, all the people have their grievances and worries. The greatest problem, Kastriot Islami emphasized, concerns the great economic difficulties through which the country is passing, which are being further exacerbated by the continuing strike.

He later said that the key to overcoming this crisis lies in everybody resuming work and not relying first of all on aid and credit from abroad. Nevertheless, the government is taking all measures to meet all working people's legitimate demands, and is demanding the strict enforcement of the law in all cases where strikes have begun in contravention of the law and against the people's interests. The government will work unstintingly for the people's interests, dissociating itself from all bureaucrats and all those who have consumed millions of the people's dollars.

Focusing on today's international problems, he said that all the events in Yugoslavia and Kosovo must be viewed realistically and properly judged. Thus, any destabilization in Albania is to the detriment of stability in Europe. On the other hand, political and social calm and economic stability will create conditions to strengthen peace in our peninsula and in Europe.

Shefqet Velaj, manager of the Workers' Supply Enterprise in Ballsh, and Qemal Isufi, veteran and distinguished teacher, also spoke at the rally, and said that the people of Mallakaster call on all the Albanian people to support the new government and its program that expresses and protects the interests of the people now and for the future. They said that the whole country must work like us in the oil sector and in Mallakaster, where work has not stopped. Only work can further increase the people's prosperity, not strikes that burden and ruin the economy.

Council of Europe Delegation Pays Official Visit

AU2305135191 Tirana ATA in English 1202 GMT 23 May 91

[Text] Tirana, May 23 (ATA)—A delegation of the European Council, headed by the chairman of the Council of Ministers of the European Council, Mister Sten Andersson, foreign minister of Sweden, and the secretary general of the European Council, Catherine Lalumiere, arrived in our country at the invitation of the foreign minister of the Republic of Albania, Muhamet Kapllani.

At Rinas Airport they were received by the foreign minister, Muhamet Kapllani; the minister of justice, Fatmir Zaloshnja, and other functionaries at the Ministry of Foreign Affairs.

Present were also the heads of diplomatic representations of the European Council member countries accredited in Tirana.

Meets With Foreign Minister Kapllani

AU2305192091 Tirana ATA in English 1810 GMT 23 May 91

[Text] Tirana, May 23 (ATA)—Muhamet Kapllani, foreign minister of the Republic of Albania, conducted negotiations with the European Council delegation, headed by Sten Andersson, chairman of the Ministers' Committee of the Council of Europe and foreign minister of Sweden, and Catherine Lalumiere, secretary general of the European Council.

Mr. Sten Andersson expressed his satisfaction over the visit to Albania as a representative of the European Council. He hailed the processes of democratization and the reforms initiated in Albania. Our visit is a new step in the chain of the contacts already established between Albania and the European Council, to get to know your efforts for the democratization of the political system, to reform economy and to apply human rights. Catherine Lalumiere, secretary general of the European Council, confirmed the desire of this council, as a pan-European organization, to contribute to the progress of pluralist democracy and human rights. She pointed out her satisfaction over Albania's opening to Europe and its will for democratic reforms. Lalumiere said that according to the reports by representatives of the European Council, parliamentarians and foreign observers, elections in Albania have been correct. Then, the European Council delegation took special interest in the recent developments in Albania and the policy of the Albanian government.

After wishing welcome the friends from the European Council, Albanian Foreign Minister Muhamet Kapllani pointed to Albania's desire to develop fruitful cooperation with such prestige organisms as the European Council, in order to promote democracy in our country. He said that although the contacts between Albania and the European Council are new, they make up a precious experience on our road to genuine pluralist democracy. He considered the visit of the delegation as increase of contacts and cooperation between Albania and the European Council. Further on, Muhamet Kapllani spoke of the great fundamental changes in the political, economic, legislative system taking place in Albania, which are not merely a restructuring of the old system but the construction of a new society. Explaining the character of the European-standard changes in different aspects, that of human rights included, etc., he spoke of the importance of the transitory period and the great problems to be tackled related to the past and current problems. There is a gap between the attained political freedoms and economic backwardness, a gap we have to patch in order not to compromise with the reforms and the whole process of democratization. Speaking of the European dimension of the Albanian foreign policy, Muhamet Kapllani said that Albania is a European nation and country with millenary roots on our ancient continent, and wants to occupy the place it deserves in the European family.

He expressed the confidence that the European Council with its goodwill and rich experience will assist Albania in this direction.

Attending the negotiations were also the minister of justice, Fatmir Zaloshnja, the scientific secretary of the Academy of Sciences, Luan Omari, senior officials of the Foreign Ministry, etc.

Received by Premier Nano

AU2305192291 Tirana ATA in English 1820 GMT 23 May 91

[Text] Tirana, May 23 (ATA)—The chairman of the Council of Ministers of the Republic of Albania, Fatos Nano met with the delegation of the Council of Europe, headed by the chairman of the Ministers' Committee of Europe's Council, Sten Andersson, minister of foreign affairs of Sweden and the secretary general of the Council of Europe, Catherine Lalumiere. Bidding welcome he expressed his satisfaction over the visit of this delegation and the desire on the establishment of very indispensable contacts with this organism in order to contribute to the promotion of reforms in our country.

Premier Fatos Nano briefed the members of the delegation of the Council of Europe on the situation created following the first multiparty elections in our country and underscored that the opposition is a new factor in the country's political life. Now there is constructive debate in our parliament between the two main political forces, something which contributes to the further democratisation of the country's life. But unfortunately, he said, the situation in economy, which has kept worsening, does not respond to the important and advanced moves in the political field. Lack of knowledge regarding the market economy has had its effect in this direction. The recent strike, he pointed out, has created a graver situation hindering the solution of the major problems which are first and foremost of economic character. It would be to the interest of the entire nation, he said further on, that various political and social forces agree to attain a certain social ceasefire, granting a certain term to the government to put the main problems preoccupying the citizens on the path of solution.

Regarding the Shkoder events, Premier Fatos Nano reiterated the civic commitment of the government, alongside the work of the other state organs, in discovering the truth. The events of Shkoder, he said, were to a certain a negative reaction to the implementation of the new democracy.

Mr. Sten Andersson and Mrs. Catherine Lalumiere thanked for the reception and expressed their satisfaction over the steps taken in Albania towards democracy. Premier Fatos Nano responded to the questions posed by them.

Attending the reception were also the minister, secretary general of the Council of Ministers, Zydi Pepa, and the foreign deputy minister, Sokrat Plaka.

Received by President Alia

AU2305194991 Tirana ATA in English 1833 GMT 23 May 91

[Text] Tirana, May 23 (ATA)—The president of the Republic of Albania, Ramiz Alia, received the delegation of the Council of Europe, headed by the chairman of the Council of Ministers of the Council of Europe, Sten Andersson, minister of foreign affairs of Sweden; and the secretary general of the Council of Europe, Catherine Lalumiere at his seat on May 23, afternoon.

Attending the reception were also the chairman of the Presidency of the People's Assembly, Kastriot Islami, and the minister of foreign affairs, Muhamet Kapllani. After voicing his satisfaction over meeting with the delegation of the Council of Europe, President Ramiz Alia pointed to the major importance of the political, cultural, economic contacts of our country with the foreign countries and in this framework with the Council of Europe, which Albania desires and is working for.

The contact with Albania, Mr. Sten Anderson said, is important for us. The European family will be stronger with Albania in its fold. The Council of Europe, he said, is an open but exigent organisation. He expressed the predisposition in making steps forward in admitting Albania in the Council of Europe and the desire that our country overcomes this period of transition as soon as possible.

Speaking of the democratic transformations that are taking place in our country, President Ramiz Alia pointed out the difficulties Albania is living in actually, the peculiarities of the carrying out of the economic reform in Albania, which have given rise to major problems of economic and social character and which are linked also with the political ones. He spoke to the guests on various aspects of these transformations, the objective and subjective factors related to them, and have to do with the democratic culture of our people. President Ramiz Alia underscored the major importance that this process take place without tensions.

Responding to the interest of Mrs. Catherine Lalumiere on Albania's stand to the events in Yugoslavia, President Ramiz Alia spoke on the policy of good-neighbourliness pursued by our country and on some aspects of the recent developments in the Balkans and Europe.

Mr. Sten Andersson voiced once more the readiness of the Council of Europe to assist Albania and thanked President Ramiz Alia for the expose on the situation at home, the Balkans and Europe.

DUMA Article Accuses U.S. of 'Intervening'

AU2305160891 Sofia BTA in English 1523 GMT 23 May 91

[Text] Sofia, May 23 (BTA)—The United States is intervening in Bulgaria's internal affairs, according to Prof. Dobrin Spasov's extensive feature published in today's "DUMA" as an open letter to the U.S. ambassador to Bulgaria, Mr. Hugh Kenneth Hill. Prof. Dobrin Spasov, a philosopher, claims that the article reflects his own views and that he has cleared them neither with the leadership of the Bulgarian Socialist Party (BSP) of which he is a member, nor with the editors of the party's "DUMA" daily.

Mr. Spasov also makes the reservation that he draws his arguments from two foreign observers: long-serving BBC correspondent Misha Glenny and journalist Judy Dempsey of the "FINANCIAL TIMES," who recently wrote a series of articles on Bulgaria published in a special survey of the newspaper. Prof. Spasov's feature came out at a time when a Bulgaro-Soviet treaty on cooperation is being prepared and discussed. After his recent visit to the USSR where he met with the Soviet President, BSP leader Aleksandur Lilov said that he saw no reason why the treaty should not be signed. The contents of the treaty, the pros and cons of including military clauses in it and their possible content are being debated in this country now.

Prof. Spasov quotes Mr. Glenny as saying that during the June 1990 parliamentary elections, the United States and its embassy in Sofia in particular played an "absolutely immoral" role. Quoting Ms. Dempsey, he says that American officials have come again to this country to pave the way for the forthcoming elections. Prof. Spasov claims that these actions can be disastrous for Bulgaria. He adds the United States has gone so far as to determine the structure of the Bulgarian opposition and has included in it the Movement for Rights and Freedoms, which brings together some 100,000 Bulgarian ethnic Turks. The author cites some geopolitical explanations, arguing that Turkey is the mainstay of U.S. policy in the Balkans and that in this capacity Turkey uses the U.S. as its "tool" in the region.

In this line of thought, which may occur to any reasoning Bulgarian, as Prof. Spasov puts it, he draws a conclusion about the United States' possible support for certain political forces in the forthcoming elections.

"I am trying to convince you that the present U.S. policy of eliminating certain political forces and creating, reviving or consolidating others is counterproductive," Prof. Spasov writes. Then he quotes Assistant Secretary of State Richard Schiffer as saying that the real opposition in Bulgaria is Mr. Andrey Lukanov, deputy chairman of the Bulgarian Socialist Party (BSP). Yesterday "VEK 21," the weekly of the Bulgarian Radical Democratic Party, ran a transcript of a recent meeting at which Mr. Lukanov told Bulgarian business executives that Western political leaders had advised him to orient Bulgaria to the USSR. Moreover, Mr. Lukanov insisted that Bulgaria's development should be bound with that of the Soviet Union and asked the executives to cooperate in this strategic policy line.

Mr. Spasov elaborates on the progress of the reform processes in the BSP, which, in his view, turn the Socialist Party into a national consensus organization. The U.S. Administration does not benefit from regarding this party as "un-American," Prof. Spasov stresses, adding that America stands to lose if socialist intelligentsia and other people of honest, free and in-depth thinking get isolated. At the end of the article the author says he believes in American pragmatism.

Zhelev Speaks at Cyril, Methodius Day Ceremony

AU2405091691

[Editorial Report] Sofia Domestic Service in Bulgarian at 0800 GMT on 24 May carries an approximately 35-minute live relay from a square in central Sofia, monitored in progress, of a ceremony to commemorate Cyril and Methodius Day, which is celebrated as the holiday of Bulgarian culture and education.

An unidentified reporter describes the festive atmosphere and the presence of numerous students and teachers. Among the officials attending the reporter mentions Bulgarian President Dr. Zhelyu Zhelev and Sofia Mayor Aleksandur Karakachanov.

At approximately 0805 GMT President Zhelev takes the floor and delivers an approximately seven-minute speech. In it he focuses on the historical significance of the "two brothers from Saloniki," Cyril and Methodius, who introduced the Slavonic alphabet and represent the beginning of Slavonic culture and literature.

Zhelev stresses that in the present circumstances, when "our country is divided by political disputes and we are crucified by party passions," it is particularly important to cherish the common national values that unite Bulgarians. He mentions the important international significance of Cyril and Methodius, which Pope Paul II recently emphasized by declaring the two saints from Saloniki as special protectors of Eastern Europe.

Following Zhelev's speech the national anthem is played and students' choirs sing patriotic songs.

The rest of the live relay is taken up with interviews with cultural figures and citizens attending the ceremony, who express their patriotic feelings and ideas on national cultural values in connection with the holiday.

Ludzhev, Vulkov Urge BSP To Deliver Archives

AU2305201791 Sofia BTA in English 1929 GMT 23 May 91

[Text] Sofia, May 23 (BTA)—The archives of the Bulgarian Communist Party (BCP) which may be of interest to the state will be delivered to the Central Archive

Administration in a few days under a Council of Ministers' decision signed by Deputy Prime Ministers Mr. Dimitur Ludzhev (SDS) [Union of Democratic Forces] and Mr. Viktor Vulkov (BZNS) [Bulgarian National Agrarian Union]. The decision will come in effect only after Deputy Prime Minister Mr. Aleksandur Tomov (BSP) [Bulgarian Socialist Party] signs it, too.

Mr. Ludzhev told BTA that this decision should not be delayed any longer. "We drafted several versions. Mr. Tomov said he would sign the decision but has not done so yet. Perhaps the Supreme Council of the BSP has raised objections," he said. Mr. Ludzhev made it clear that he will not make any more concessions and said the archives of the BCP, a "party-state" in totalitarian times, should go where they belong. "And they belong to the state archives where they will be properly used and controlled as is the common practice in all civilized countries," he said.

Deputy Prime Minister Aleksandur Tomov told BTA that he will sign the decision today or early next week. Mr. Tomov added that experts were studying the text which was proposed by a team of his aides, as he said.

According to Mr. Tomov, the problem with the archives is "not a matter of politics but of legal technicalities." He dismissed the idea of a nationalization of all BCP archives, describing it as a "reproduction of totalitarian methods." According to him, "a hundred-year-old party must have its own archives." Mr. Tomov stressed that the exchequer should reimburse the BCP (BSP) all expenses incurred to build the party's archive stock and to photocopy documents which will be delivered to the state archives.

Mr. Tomov said that a court settlement will probably be needed for problems concerning the memoirs of Georgi Dimitrov, Vasil Kolarov and other BCP leaders in the past, which are claimed by their heirs.

In the lobby at the Council of Ministers Mr. Ludzhev was heard promising Mr. Tomov to congratulate him publicly ("on national television," Mr. Tomov insists) if he signs the cabinet's decision shortly.

Rift Continues Between SDS Assembly Members

AU2305201591 Sofia BTA in English 1918 GMT 23 May 91

[Text] Sofia, May 23 (BTA)—The "Group of 39," the radically minded opposition MP's who walked out of parliament on May 14 and demanded early general elections, are adamant in their views and will not return to parliament. This became known today after they met with President Zhelev.

President Zhelev has already met with all parliamentary factions but has not committed himself to any assessment so far.

The radicals find absurd the agreement which the parliamentary parties are drafting on the passage of the Constitution and elections in the autumn. Probably the agreement will be finalized early next week. The radicals believe that the latest update of the political forces' agreement is useless because the Socialists failed to observe it so far. Signed in January, it established the incumbent coalition government.

The radicals stress that President Zhelev did not try to pressure them at today's meeting.

Essentially, the radicals believe that a clear-cut opposition taking shape in this country. They openly criticize the moderates for making what they see as pointless deals with the ex-Communists.

But the hard line of "Group of 39" broadens the rift in the opposition Union of Democratic Forces (SDS). Judging by statements of both radicals and moderates, they are not holding any negotiations or at least keep them strictly secret. The moderates who remained in the parliamentary SDS openly talked today about a split in the SDS, although they declined to deny or confirm it. According to the radicals, the SDS is a cause and an idea which cannot be split. They described the moderates' actions as "factionism."

The moderates agreed today on an outline of a pre-election political agreement after the latest round of consultations among the leaders of the Social Democratic Party, the Nikola Petkov Agrarian Party, Ecoglasnost, the Green Party, the Federation of Democracy Clubs and the Club of the Repressed. All of them and the Bulgarian Agrarian Party (BZNS) favour proportional representation in the new elections.

Judging by today's briefing of the Bulgarian Socialist Party [BSP], it has yet to take a final stand on the matter. The Socialists have reservations about fixed dates for the passage of the Constitution and parliamentary elections and would rather go for deadlines. The deadline for the elections is the autumn. They still insist that local elections should be held first. The Socialists insist that both local and general elections be monitored by international observers, the BSP leader Mr. Aleksandur Lilov said today.

Nikola Petkov BZNS Member on Election

AU2305090591 Sofia ANTENI in Bulgarian No. 20 15 May 91

[Interview with Milan Drenchev, chairman of the Nikola Petkov Bulgarian National Agrarian Union, by Iliana Doncheva; place and date not given: "I Had No Time For Denunciations"]

[Excerpts] [Doncheva] Mr. Drenchev, how do you explain the fact that you and certain other leaders were so strongly accused of being informants?

[Drenchev] I do not think this is the general opinion about me. Nevertheless, I was the first to submit the question of personal files to the Grand National

Assembly. I insisted that the files should be opened and seen. Nevertheless, the aforementioned rumors never reached me. They stem from ill-intentioned forces which are trying to undermine my prestige. This also applies to other people who have a certain public image and play an important role within their organizations. It is evident that the people in question tried to disgrace us, but I never paid attention to all this, perhaps because I was much too busy. When could I have been an informant? I spent so many years in prisons and concentration camps. I have never been employed by the state, so there is no one I could have denounced. [passage omitted]

[Doncheva] What is your opinion on the two Bulgarian National Agrarian Unions [BZNS]—is there any chance of their reunification?

[Drenchev] You are raising a painful question. Let us begin with the crucial issue: I am convinced that there is only one BZNS. The other BZNS has adopted our ideological stances today. It never had its own principles and convictions. It just followed the leader—namely the Bulgarian Communist Party [BCP]—and its ever-present "permanent board." We can frankly say that the former BZNS was a section of the BCP. Its members were even more loyal servants of the party than the Communists. They were powerful in the old days and now long for their lost power and privileges. The BZNS today has taken over our views on Bulgaria's present and future development. Hence, it is not an independent union. Let them say what exactly divides us. They should simply come to us and resume the ideas which we preserved throughout the years. We shall certainly unite, but not automatically and not with all of them. People who have disgraced themselves and discredited our union should not be members of the BZNS.

[Doncheva] What do you think about the forthcoming elections?

[Drenchev] Well, it is impossible to fix a date. Under no circumstances will they take place in June 1991. It is technically impossible. Even those who demand that they should be held in June realize perfectly well that this is impossible. We first have to pass the constitution. If we fail to do so, we should ask ourselves why we were elected at all and what we are doing in the National Assembly?

[Doncheva] What is your opinion on the recently established Union of Democratic Forces [SDS]-Center?

[Drenchev] It is an absolute necessity. We united to show those who are involved in irresponsible acts and make inconsiderate statements that they must take into account the existence of political forces which have an influence on public opinion and are entitled to speak on behalf of their numerous political supporters. We are fully aware of our responsibility and we must see reality as it is. We cannot ask for the impossible. In addition to us and the Social Democrats, several other political groups have joined the SDS-Center. This is a considerable achievement. We are united by our sense of reality. What is my opinion on the right wing? Well, considering our country's stormy public life, it is normal that it should exist. I do not forecast a great future for the right wingers. Nevertheless, the split within the opposition is a dilemma which I am worried about. We should be united in the elections because the enemy is very strong.

[Doncheva] Which are the most difficult problems facing the Nikola Petkov BZNS?

[Drenchev] We have numerous difficulties to cope with. Among other things, financial problems are interfering with our work. A major political force, such as our party, should not be confronted with such difficulties. Work with the population in the villages is very hard. The Communists have a certain advantage in those areas as their people have long been installed in leading posts. They are mayors, party secretaries, chairmen of labor cooperative farms, and managers of enterprises. Their cadres are well trained. They are also skilled in propaganda work and have all the necessary facilities for it. Despite all this, we have managed to establish ourselves in all villages and to create small, but viable organizations. Nevertheless, our positions are not as strong as they should be. Transportation is a difficult problem for the time being, and how are we to conduct our election campaign without the necessary transportation facilities? This is what we are concerned about. We hope to achieve good results in the forthcoming elections despite all this. [passage omitted]

[Doncheva] How do you assess the work of the Grand National Assembly?

[Drenchev] It is proceeding a bit too slowly, there are certain things which it would do better not to bother with. The constitution should already have been adopted, the bill on municipalities and on the country's new administrative and territorial division should have been passed by now. The same applies to municipal elections, which should have been held a few months ago, so that we may be ready for general elections in June 1991. I pointed this out as early as in my keynote speech to the Grand National Assembly. I never thought that we would waste so much time with the three major issues—namely the constitution, the Law on the Land, and the new municipalities. The law on the land which was passed is far from perfect, but it is not as bad as some people claim. It is adequate for the time being, but it might undergo some changes. The bad thing is that the Code of Regulations is not quite acceptable. I cannot approve it and it has not produced any positive results. Nevertheless, let us wait and see how it is applied, then we will realize what should be changed about it.

BNDP Elects Stoyanov Chairman

AU2305133091 Sofia DUMA in Bulgarian 20 May 91 p 2

[DUMA report: "Luchezar Stoyanov New Leader of BNDP"]

[Text] The new leader of the Bulgarian National Democratic Party [BNDP] is Luchezar Stoyanov, 40-year-old historian and expert on Bulgarian national liberation movements after the Berlin Treaty. He was elected as chairman at the BNDP's Second Extraordinary Congress, which took place in Sofia on 18 May and was of a businesslike nature.

Guest Petur Baron said that the BNDP united intellectual capacity in the struggle for the national idea. He expressed his regret that this cause had not found its resting place in the Union of Democratic Forces. As for the Bulgarian Socialist Party, he recalled that he was waiting to see how real their concern over the nationality issue is.

Podkrepa Briefing on Relations With Government

AU2305180091 Sofia BTA in English 1705 GMT 23 May 91

[Text] Sofia, May 23 (BTA)—"The relations between the Podkrepa Labour Confederation and the Bulgarian Government are now relatively good but tend to deteriorate," Dr. Konstantin Trenchev, president of the Podkrepa Labour Confederation, told a press conference today. This tendency is due to the government's failure to honour its commitments and to its slow reaction to Podkrepa's legitimate demands.

Another confederation leader said that because the government is reluctant to get rid of certain business executives whose criminal acts had been exposed, Podkrepa would not take part in a further dialogue on these issues. Mr. Veselin Pavlov, minister of transport, was criticized for failing to dismiss at least one such business executive.

Unlike the Confederation of Independent Trade Unions (KNSB), Podkrepa is not willing to sit back, waiting for the government to produce the documents on the second stage of the economic reform.

One of the problems raised at the press conference concerned the property of the KNSB which succeeded the official trade unions. It became known that the KNSB had used one of its companies to try to lure Podkrepa into a deal, offering a 10 per cent stake at first and then extending the offer to as much as 50 per cent. The Podkrepa Confederation reiterated its position that the KNSB property should revert to the state. Both the Podkrepa Confederation and the KNSB believe that all companies in Bulgaria should be re-registered but Podkrepa insists that this should include companies set up before November 10, 1989, when Todor Zhivkov was deposed. The problem of companies registered abroad was also raised.

Mr. Trenchev said that the charges of instigating arson at the headquarters of the BSP [Bulgarian Socialist Party] Supreme Council which have been preferred against him are intended to isolate him from the country's political life and to prevent him from voicing his views on labour legislation violations at the forthcoming international labour conference.

Situation of Citizens Living in USSR Described

AU2305090491 Sofia FAKS in Bulgarian 17 May 91 p 4

[Interview with Aleksandur Milanov, spokesman of the Bessarabian Society and chairman of the Bulgarian Translators Union, by Vesela Doneva; place and date not given: "Political Passions Prevail Over Nationality Interests"]

[Excerpts] [Doneva] According to Bulgarian sources, there are 600,000 Bessarabian Bulgarians in the Ukraine and Moldova, and 2.2 million of them in the Soviet Union as a whole. However, Soviet sources give different figures—a total of 300,000 Bessarabian Bulgarians. Which figure is right, Mr. Milanov?

[Milanov] According to the last census, the figure is 373,000. The figure of 2.2 million came from two scholars in the USSR Academy of Sciences, who announced it at a symposium on national minorities held in Budapest in 1988. I do not know where they got this figure from, but the point is that many Bessarabian Bulgarians are registered under other nationalities. [passage omitted]

[Doneva] Bessarabian Bulgarians and Russians do enjoy equal rights, do they not?

[Milanov] At the present time the problem is different. The danger for them at the moment comes from the Moldovans and, to some extent, the Ukrainians.

[Doneva] Do they want to assimilate the Bulgarians?

[Milanov] Yes. According to our information, at the moment about 100 Bulgarian students have been suspended from the university in Kishinev because they failed the Moldovan language examination—that is, Romanian. Previously, Moldovan was not used for communication between the different nationalities, and Russian was the common state language. Now, in Moldova, the Ukraine, and other republics the relevant language is being introduced as the official one. Accordingly, the Bulgarians have to learn that language first, then Russian, and in the schools they also have to learn a Western language. Only having done all this, if they have time, can they learn Bulgarian. For this reason, these Bessarabian Bulgarians, who form a compact group, want to have the status of territorial autonomy. [passage omitted]

[Doneva] I have heard that many of the Bessarabian Bulgarians want to return to Bulgaria. Is this true?

[Milanov] There is no truth in the statements made at rallies and in the press that almost all of them want to emigrate. About 700,000 or 800,000 of them live in a compact group, and very few of them want to return to Bulgaria.

[Doneva] How many?

[Milanov] No one has collected such statistics, but 2-3 percent of them perhaps say that they would migrate to Bulgaria, provided that they have dual citizenship.

[Doneva] How can they obtain Bulgarian citizenship?

[Milanov] It is exceptionally difficult to obtain Bulgarian citizenship, because we have no interstate agreements. So far no Bulgarian Government has ever tried to hold negotiations on the method by which those Bulgarians who want to emigrate may relinquish their Soviet citizenship and acquire Bulgarian citizenship. Germany has achieved this for the Soviet Germans. Greek has done it for the Black Sea Greeks, and there is no need to mention Israel. Furthermore, we have no information whether our official diplomatic circles have shown any special interest in the Bulgarians scattered over different parts of the Soviet Union.

[Doneva] Is there any hope that the Bessarabian Bulgarians will be granted autonomy?

[Milanov] Under Soviet laws they have a right to autonomy, in the form of a republic, okrug, or rayon. Furthermore, they did possess territorial autonomy previously, but it was taken away from them, and now they want it back. The Soviet Union is a state with many nationalities, and the nationalities have the right to various degrees of autonomy. This is the difference between an ethnic state and a multinational one. They do not want to break away from the Soviet Union and become Bulgarian territory. Some people believe they do, and ask: What if the Turks in Bulgaria want the same thing? The difference is a very great one. We are a multinational state, and even Ahmed Dogan admits this.

[Doneva] Your society's efforts, however, cannot take the place of a state policy....

[Milanov] No, and the existence of our society proves that our nationality policy is based on dilettantism, and that in fact we have no properly developed nationality policy. In Hungary it would be ridiculous to have a society to assist the Transylvanian Hungarians and maintain contacts with them, because the government, national institutions, and parties all support them. In Bulgaria by contrast, the official authorities, political parties, intelligentsia, and the institutions could not care less about Bulgarians abroad in general, let alone the ones in Bessarabia. The revival process brought shame upon Bulgaria, no one can deny this, but our neighbors have behaved incorrectly and assimilated Bulgarians for almost an entire century in front of the eyes of the Bulgarian Government and the whole of Europe.

[Doneva] Since the Bulgarian government has remained silent, can Europe save us?

[Milanov] Unfortunately, in very many cases political passions have prevailed over our nationality interests.

Former Communist Policy in Macedonia Attacked

AU2305165591 Sofia BTA in English 1544 GMT 23 May 91

[Text] Sofia, May 23 (BTA)—Talking to a press briefing today, Associate Professor Dimitur Gotsev, chairman of the Internal Macedonian Revolutionary Organization—Association of Macedonian Societies (IMRO-AMS), described as a "mistake" the crackdown by Bulgarian Communists on a million and a half Bulgarians in Macedonia and against their descendants in Bulgaria. Mr. Gotsev said that a week after November 10, 1989, the IMRO societies had sent a memorandum to the Central Committee of the Bulgarian Communist Party (BCP), urging the BCP and its Central Committee condemn their antinational policies and particularly their handling of the Macedonian issue. The memorandum called for a denunciation of the Comintern decisions and of the inaction of its Bulgarian leaders who did not oppose the artificial creation of a "Macedonian nation." The document also made a point of condemning the decisions of the 10th Plenum of 1946 which proclaimed the Macedonian nation and decided to allow emissaries from Vardar Macedonia to operate in the Pirin region.

The memorandum also insists on condemning the two coercive censuses in 1946 and 1956 when the people in the Pirin region were listed as Macedonians although they identified themselves as Bulgarians. All this is condemned as unscientific, anti-Bulgarian, inhuman and reactionary, Mr. Gotsev says. The memorandum still goes unanswered.

Dienstbier Seeks Early End to Withdrawal Talks

LD2405010191 Prague CTK in English 1621 GMT 23 May 91

[Text] Prague May 23 (CTK)—Czechoslovak Foreign Minister Jiri Dienstbier told journalists here today that Czechoslovak-Soviet talks on settling financial and property issues linked with the 22-year stay of Soviet troops in Czechoslovakia should end soon in view of the eventual troops' withdrawal from the country within a month.

In connection with the end of this stay, the Czechoslovak side has incited the talks on solving property and financial issues between Czechoslovakia and the Soviet Union, which started in Prague on May 20 and are going on with difficulties.

The problem is, Dienstbier said, whether the Soviet side would accept Czechoslovakia's demand to use money from the sale of some Soviet property on Czechoslovak territory for covering Czechoslovak claims first. Dienstbier added the Soviet side would prefer to use the money for the purchase of houses. This question is important for the Soviet Union as flats for hundreds of thousands of Soviet soldiers, who return home, are lacking there, Dienstbier said. The opportunity of building houses in the Soviet Union is interesting also for Czechoslovakia from the viewpoint of job opportunities for its citizens, Dienstbier said.

If Czechoslovakia "succeeds in convincing the Soviets that the signing of a framework agreement on settling financial and property issues between these two countries is a political affair, then a progress could be achieved at the current talks," Michael Kocab, chairman of the parliamentary commission in charge of the withdrawal of the Soviet troops from Czechoslovakia, told journalists today.

"If, however, this problem is considered only from economic viewpoints, then we can argue about the sums maybe for another year," Kocab said.

He said the Czechoslovak side aims to sign the framework agreement yet this week. Its demands comprise everything, including compensation for the damage on its environment. Kocab refused to specify the sum. He just said it exceeded the expected 5,000 million crowns [korunas]. The Soviet side estimated the sum to be got from the purchase of the Soviet property on Czechoslovak territory worth 1,900 million crowns.

The Soviet delegation to the current Czechoslovak-Soviet talks on settling financial and property issues, connected with the Soviet troop withdrawal from Czechoslovakia, met today with Czechoslovak Economics Minister Vladimir Dlouhy.

Afterwards Soviet External Economic Relations Minister Konstantin Katushev said both sides seek solutions to all the issues involved, and the Soviet Union is strongly interested in reaching an agreement.

"We hold some divergent views," said Minister Dlouhy, "but we agreed that it is necessary to conclude an agreement as soon as possible, before the last Soviet soldier leaves Czechoslovak territory. We agreed that the experts will go through all the controversial issues during this coming night and we will meet with Minister Katushev once more."

Deputy Kocab Queried on Soviet Troop Withdrawal

AU2305183091 Prague RUDE PRAVO in Czech 15 May 91 p 2

[Interview with Federal Assembly Deputy Michael Kocab by Nada Adamickova; place and date not given: "We Were Not Deceived"—first paragraph is RUDE PRAVO introduction]

[Text] The deadline for the withdrawal of Soviet troops from CSFR territory—26 June—is drawing near, and speculations and fears about whether all Soviet citizens—that is, including civilians—will really leave are multiplying. Rumors are being voiced about the establishment of Czechoslovak-Soviet societies whose activity could be of various kinds. This is why I asked Michael Kocab, Federal Assembly deputy and chairman of the Parliamentary Commission for the Withdrawal of Soviet Troops, the following questions:

[Adamickova] Are those fears justified?

[Kocab] I have heard of those fears myself, and that is why I was became interested in the matter. I met with all the responsible officials from our side, as well as from the Soviet side. General Vorobyov and other Soviet generals, as well as gentlemen from the Soviet Embassy, have assured me that as of 26 June no military or civilian persons will be present on our territory. If some societies are established—which is possible, since our law permits it—then it will only be possible after this date. To avoid concern that either side is involved in speculation, we want the withdrawal to be completed in the agreed upon manner. Otherwise, one thing we are very particular about could be put at risk—the possibility of building economic relations with the Soviet Union in the future. I repeat once more: We have received guarantees that no societies will be established before the complete withdrawal. I have received the same assurances from senior Czechoslovak Army representatives—Generals Nadovic, Pastor, and others. They are exerting maximum efforts to eliminate the presence of any Soviet soldier or civilian here as of 26 June. Officials from representative and trade organizations are another matter. Of course, this does not pertain to them.

[Adamickova] How are the negotiations about compensation for damages proceeding?

[Kocab] Around 25 May, we would like to open another round of talks with the Soviet Government and expert delegations headed by Admiral Rashin to finally prepare the signing of the agreement on financial and property-and-legal compensation.

[Adamickova] Do you now the exact figures yet?

[Kocab] The agreement is virtually ready, some controversial points are given in the two versions—the Czech and the Soviet one—and the issue will be to make our standpoints closer. The entire scale of damage is not clear yet, and another six months or a year will be needed to examine this. Then specific figures will be inserted into the agreement.

[Adamickova] How much Soviet technology and how many Soviet troops still remain on our territory?

[Kocab] As of 13 May, the situation is as follows: All the tanks, artillery, antiaircraft installations, combat helicopters, aircraft, and ammunition have finally been withdrawn. Some 1,000 automobiles remain here—they will leave in the final stage—and four combat vehicles. There are 4,500 Soviet troops on our territory, which is approximately six percent of the original figure, and 2,200 civilians in addition to that. I would like to calm the fears of some people who say that we were deceived during the withdrawal of the last tank and that more tanks still remain here. This is not true; several armored vehicles remain here and people have erroneously confused them with tanks.

Calfa, EC Official Discuss Agreement, Markets

LD2405013491 Prague CTK in English 1926 GMT 23 May 91

[Text] Prague May 23 (CTK)—"Czechoslovakia's economy is geared to a market of 50 million people. In view of the fact that we are losing this market, in restructuring our economy we have to find new ones or take compensatory measures," Czechoslovak Premier Marian Calfa told EC Commission Vice President Sir Leon Brittan here today.

Regarding Czechoslovakia's association agreement with the European Community, Calfa stressed the need for EC aid in the restructuring of the Czechoslovak economy. Sir Leon said the results achieved so far in the transition from a centrally planned to a free market economy are satisfactory.

Slovakia Admitted to Danube Region Community

AU2305101191 Bratislava PRAVDA in Slovak 18 May 91 p 2

[Interview with Slovak Prime Minister Jan Carnogursky by Frantisek Melis, in Bratislava on 17 May: "Jan Carnogursky Upon Arrival From Belgrade: The Trip Was Successful"—first paragraph is PRAVDA introduction]

[Text] Bratislava—Slovak republic Prime Minister Jan Carnogursky returned last night from a meeting of the Danube region working group in Belgrade. He answered some questions of CTK and PRAVDA reporters in the airport hall.

[Melis] How do you assess your short stay in the Yugoslav capital?

[Carnogursky] The trip was successful. For one, Slovakia was admitted to the Danube region community, and two, during our first visit to Croatia we made economic contacts with yet another Yugoslav republic.

[Melis] What is the significance of Slovak membership in this community?

[Carnogursky] The working group of the community is an informal association, in the framework of which five commissions operate—for example, transport, tourism, culture, and ecology [as published]. Their operation does not require high expenditures, and we intend to use them in dealing with some specific practical problems concerning individual regions.

[Melis] In what projects will Slovakia take part?

[Carnogursky] Even before admission into the community, we worked in two commissions. At present, we participate in the work of the water transport commission. In addition, we will join in the commission preparing the Vienna-Budapest exhibition, and we expect that through one of the commissions we will also deal with the problems surrounding the Gabcikovo project.

Czech Prime Minister Comments on Army Deployment

AU2305094791 Prague SVOBODNE SLOVO in Czech 17 May 91 pp 1,4

["(MAG)" signed report: "The Army Is on the Move"]

[Excerpt] Prague—Many deputies make use of their opportunity to submit interpellations to government members on important matters. Sometimes so many interpellations are made in the Assembly that it is exhausting; however, it would be a mistake to stop paying attention, because they often involve issues concerning entire regions.

At the beginning of March, we published some interpellations from Czech National Council [CNR] deputies, and because replies were given at the 18th CNR session, we have selected two of them.

Czech Prime Minister Petr Pithart replied to an interpellation from L. Krcma. He referred to the danger that the North Moravian and Silesian border will be insufficiently protected on account of the redeployment of our forces. Among other things, the prime minister said: "The Czechoslovak Army, whose size and value is limited by the armaments levels laid down in the Treaty on Conventional Armed Forces, cannot disperse its forces in a deployable manner so that they cover all the existing points of danger throughout the length and breadth of our state. Therefore, the territories where Czechoslovak Army units are not peacefully deployed will—in the event of need—be protected by troops regrouped from other areas....

"Attempts by the Czechoslovak Army command to utilize garrisons vacated by the Soviet Army to deploy its own forces have come up against considerable resistance from the population. Deployment of Czechoslovak Army units has been absolutely rejected in Jesenik, Krnov, Bruntal, Sumperk, and Frenstat pod Radhostem.... Obviously, overcoming the citizens' aversion

will be neither an easy matter nor a quick one. The Czechoslovak Army, the newly established district defense councils, and district, municipal, and local authorities should contribute toward this." Let us remember that protecting the borders is also important in connection with the multiplying number of defectors, traffickers, and criminal elements who link up in "international cooperation...." [passage omitted]

Czech National Council Holds Closed-Door Session

LD2305115891 Prague Federal 1 Television Network in Czech 2015 GMT 22 May 91

[Excerpt] The Czech National Council [CNR] held previously announced discussions behind closed doors today on measures to be taken by the Czech government in case of a split in the Federation. We managed to obtain this report of the session:

[Unidentified reporter] Following today's CNR discussions on preparations for measures to be taken by the Czech government in case of a split in the CSFR, newsmen were told that Prime Minister Pithart had given the deputies a technical analysis, without any sort of value judgment, pointing out that he had explained all the steps taken by the Czech government in the last few months. After the session, the prime minister said: I am convinced that most of the people of the Slovak republic wish to live in a common state, but I do not think it does any harm if those who doubt the usefulness of coexistence of this sort are aware that the other side takes their words seriously.

[CNR Chairwoman] Dagmar Buresova made this comment in the context of the Czech prime minister's address: We all share the view that the catastrophic scenario of a split in the CSFR is not currently on the agenda, but although we are all working to preserve the Federation, we must count on the possibility that we may not succeed in carrying through our efforts, and we must be prepared for this possibility, too.

The Movement for Czechoslovak Understanding [MCU] has issued a statement to CTK expressing disapproval of the fact that the deliberations today had been conducted behind closed doors. Jiri Payne, who proposed this agenda item, had this comment on the statement: We were led to discuss this agenda item by fears about whether we were truly prepared for a situation which is perhaps unlikely, but for which we must be prepared. I think that from this point of view the government's report fulfilled its purpose.

On the MCU's comment that the whole affair is taking place while the president is out of the country, Deputy Payne said: These deliberations were in no way timed to coincide with the absence of the president. The timing is connected with the fact that the CNC has begun to talk about a draft agreement or treaty between the Czech and Slovak republics. These deliberations were not meant as a provocation or as a political axe for Czech politicians to grind; it is a factual matter aimed at underpinning our responsibility toward the electorate—the responsibility of acting as a check on the government, which has the task of ensuring the future of the country.

Naturally, we took into account the fact that these deliberations could cause a certain reaction in Slovakia, and it appears that there is, indeed, a real atmosphere of mutual suspicion and mistrust. [passage omitted]

Czech National Council 19th Session Ends

LD2305220591 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1600 GMT 23 May 91

[Text] The 19th session of the Czech National Council [CNR] ended in Prague today. Reporter Alena Millerova reports:

[Millerova] When Jan Kasal, deputy chairman of the CNR, left the session before 1700, the last part of which he was chairing, he thanked the CNR for its dynamic approach to dealing with problems and for the speed of today's session. Deputies were unusually fast today in discussing eight points of today's agenda. It took them less than four hours. The conference hall was empty in the morning because the members of two committees—Constitutional Legal and Economic—needed to discuss their view on the governmental bill on land reforms and land offices in the light of the law on land approved yesterday. There was not enough time however, and it looked as though the text of the bill would need additional work; therefore, the deputies agreed to postpone it to the next meeting of the CNR.

On the other hand, they did not agree, and showed it by voting that the CNR assume a viewpoint on the Federal Government's decision about the sale of Czechoslovak tanks to Syria. The chamber was united when voting on the proposal by Deputy Pavel Dusek that the Czech legislature ask the Czech government to initiate a legislative amendment enabling sponsors to contribute to health and social care without needing to pay tax on these amounts even before the new tax system comes into force. All deputies except one voted for the proposal.

Immediately after submitting the report about the activity of the commission supervising the observance of the legal measures of the Federal Assembly about expanding the range of positions filled by appointment, their unity was over. The fact that many people who were in the state administration before November 1989 are still there evoked in the CNR an exchange of views on the topic of who is responsible for this. That is, members of various political groups were blaming each other and some of the arguments were not quite fair.

The final result was: to abolish the commission mentioned above and to propose to the CNR Presidium that a commission be set up to supervise job filling in the bodies of state administration.

The session was concluded by the report on the recent activity of the CNR Presidium, which the deputies acknowledged.

The next session of the CNR will convene on 18 June.

Klaus Budget Report to Assembly Described

LD2305173591 Prague CTK in English 1040 GMT 22 May 91

[Text] Prague May 22 (CTK)—Finance Minister Vaclav Klaus admitted in the Federal Assembly (parliament) today that unfavourable tendencies in the Czechoslovak economy in the first quarter of 1991 were more intensive than expected.

He said this applied particularly to a decline in production, growth of prices and unemployment. He described the negative impacts as "painful but inevitable side effects of economic transformation".

The positive aspects of the recent economic development include the stable exchange rate and internal convertibility of the Czechoslovak crown and a favourable situation in the balance of payments, credits and the Federal, Czech and Slovak budgets, Klaus said.

However, the 15,300 million crown budget surplus of the first quarter will not be repeated because results in the later months of the year are usually worse. In addition, payments from enterprises' profits to the state budget are expected to go down while wages and social spendings will increase.

Klaus said the government will continue its anti-inflation budget policy and no major amendments of its budget intentions are to be expected.

He noted that statistical data do not give a precise picture of the situation because they do not include those on the private sector and services.

January-March 1991 were the first three months of major economic transformations, including price deregulation and full convertibility of the crown for Czechoslovak enterprises at domestic banks.

The Federal Assembly (parliament) deputies today approved a report on Czechoslovak budget incomes and expenditures in the first quarter of 1991.

They praised the surplus of 15,300 million crowns, but noted it was accompanied by a substantial drop in production, trade and exports. Therefore, they recommended to the Czechoslovak, Czech and Slovak governments to propose measures preventing a further marked decrease in production and an excessive growth in inflation.

In a debate Deputy Valtr Komarek (Czechoslovak Social Democratic Party) said that hard restrictive measures have reduced the population's demand. This in turn causes a decline in production which can reach 15-20 per cent yearly.

Klaus objected to the term "restriction towards the population". The government does not aim at unleashing runaway inflation and therefore, it has been necessary to temporarily limit the growth of incomes, he said.

Klaus ruled out the possibility of resources from the national wealth fund being used for subsidies and said state budget reserves have not been re-earmarked for subsidies on the production of heat and energy.

Refuting Komarek's warning against the danger of inflation, Klaus said foreign financial experts have assessed inflation in Czechoslovakia as the lowest one in comparison with other former socialist states which have also set upon the road of economic reform.

In this connection, he said the report on the economic situation in Czechoslovakia worked out recently by the U.S. Central Intelligence Agency (CIA) for the U.S. Congress has a very poor quality and is outdated. The report paints a very grim picture of Czechoslovakia.

Richard Richterek (Communist Party of Czechoslovakia) said the development in the first quarter of this year fulfils the predictions of foreign opponents of the Czechoslovak reform who warned against giving priority to the restriction of demand over the promotion of production.

Jozef Sedovic (Slovak National Party) said the budgetary surplus was made exclusively thanks to growing prices.

Milos Zeman (Civic Forum-Civic Movement) mentioned the possible risk especially in Slovakia that the national wealth fund will be used to subsidise food prices. He said that Czechoslovakia's payment of 10,300 million crowns (1 US dollar = 30 crowns) to the International Monetary Fund was made at the expense of state assets.

Screening Commission Wants StB Names Published

LD2305230391 Prague CTK in English 2020 GMT 22 May 91

[Text] Prague May 22 (CTK)—The parliamentary commission investigating the November 1989 events asked the Czechoslovak Federal Government today to declassify and publish the names of alleged former secret police (StB) collaborators.

In a draft resolution on its report on the screening of Federal and Czech parliament and government members for possible past collaboration with the StB, the commission also requested publication of the names of all former members of the StB.

The report on the results of the screening process was presented to the Federal Assembly yesterday.

The Czechoslovak Government asked the parliamentary commission to adjourn the debate on its report till Friday [24 May].

Meanwhile, Czechoslovak Premier Marian Calfa told CTK that data concerning those members of the Federal Government and their deputies whose names were

found in the StB files, related to conditions existing on January 15 of this year.

As considerable personnel changes have been made since then, the present situation is quite different, Calfa said. The commission's report said the names of 14 government members and their deputies and 33 employees of the Federal Government Office appeared in the StB files.

No Conclusion on StB Collaboration Issue

LD2405014191 Prague CTK in English 2023 GMT 23 May 91

[Text] Prague May 23 (CTK)—The Czechoslovak Government today reached no conclusions on yesterday's report by the parliamentary commission investigating the November 17, 1989, events, according to which 14 Federal ministers or deputy ministers collaborated with the former State Secret Police (StB), Czechoslovak Deputy Premier Pavel Rychetsky told journalists here today.

The government charged Czechoslovak Premier Marian Calfa with preparing a document on the commission's conclusions. The government will discuss the document tomorrow, before the opening of a parliamentary debate on the subject, he said.

Czechoslovak Interior Minister Jan Langos said he was opposed to the publication of lists of StB collaborators, describing it as a step running counter to the Constitution and the constitutional document on fundamental rights and liberties. This problem should be solved by a law banning the former StB agents and possibly also former senior Communist Party officials from holding certain posts, Langos said.

The commission's report revealing 14 StB collaborators in the government is based on the composition of the cabinet as of last January 15, and since then many personnel changes have been made, Langos said, but he declined to specify the number of ministers or deputy ministers mentioned on the list who are still in their posts. He would only say that the screening of public figures and personnel changes will be completed by June 30.

Langos also said there is no danger of a new round of screening in the Federal Government as all new ministers and their deputies are screened in advance.

Of the 17 employees of the Czechoslovak Government Office whom the screening commission found to have been StB "secret agents," i.e. collaborators, 10 have already left, three remained but were assigned to other jobs, one is abroad and the rest are ill. The case of one employee is subject to further investigation, Czechoslovak Government Office chief Ivan Prusa told CTK today.

Of the 16 StB "agents," three have already left and two have given notice. The remaining cases are still being investigated, Prusa said.

Prusa said the Czechoslovak Government Office will complete the screening process by June 30, on the basis of an agreement between the government and the commission.

Nonparty Members Reject Dubcek Leadership

LD2405011491 Prague CTK in English 1437 GMT 23 May 91

[Text] Prague May 23 (CTK)—Members of the Club of Non-committed Party Persons (KAN) reject Alexander Dubcek as chairman of the Federal Assembly (parliament) and protest against his speaking also on KAN's behalf in the Soviet Union recently, said a letter which KAN members sent to Alexander Dubcek on May 22.

The letter, distributed among journalists at today's press conference of KAN and the Civic Democratic Alliance (ODA), refers to Dubcek's apology for the repainting pink of a Prague Soviet tank, a World War Two monument, "on behalf of the Czechoslovak public" made during his recent visit to Moscow. The letter says that Dubcek betrayed the Czechoslovak public by signing a document expressing consent with the entry of Soviet troops to Czechoslovakia in 1968.

The "pink tank story" was the main topic at today's press conference. The two political groups (KAN and ODA) are convinced that the act of the Czechoslovak parliament deputies (who repainted the tank pink on May 16) must be considered within a broader context. KAN Chairman Bohdan Dvorak described it as a signal for the assessment of the communist rule period and punishment of responsible party officials.

Assembly Approves Waste, Budget Resolutions

LD2305023191 Prague CTK in English 1701 GMT 22 May 91

[Text] Prague May 22 (CTK)—The Czechoslovak Federal Assembly (parliament) today passed a government bill on waste, the first Czechoslovak legislation on environmental protection since the November 1989 revolution. In bringing Czechoslovak waste regulations in line with international environmental and hygienic standards, the new law reflects the country's plans to join the Basle Convention on control of the movement of dangerous wastes across state borders and their liquidation.

[Prague Ceskoslovensky Rozhlas Radio Network in Czech at 1630 GMT on 22 May adds in a similar report: "The deputies at the Federal Assembly's 15th joint meeting today approved a report on the fulfillment of the

state budget for the first quarter of this year and a government-sponsored bill on waste matter."

"At the end of today's proceedings, deputies adopted a resolution on the situation at the border crossings and instructed the Federal Government to take measures against, in particular, the smuggling of goods and people across the border."]

Assembly Resolution Criticizes Communist Rule

LD2405012991 Prague CTK in English 1930 GMT 23 May 91

[Text] Prague May 23 (CTK)—The Czechoslovak Federal Assembly (parliament) today approved a resolution on the "period of lack of freedom" in Czechoslovakia (1948-89).

The document declared the period from February 25, 1948 (when the communists took power) to November 17, 1989 (the date of the demonstration which ultimately led to the collapse of the communist regime) to be "illegitimate and worthy of condemnation".

The deputies pointed to four decades of human rights violations, persecution of various political, social and religious groups, and the lack of freedom to travel.

Goncz Arrives on 'Unofficial Visit' to U.S.

LD1605220391 Budapest MTI in English 2047 GMT 16 May 91

[Text] Washington, May 16 (MTI)—Arpad Goncz, president of the Republic of Hungary, arrived in New York on an unofficial visit on Thursday afternoon (local time). The first station of his visit will be Hartford, where the University of Connecticut will confer an honorary degree on the Hungarian head of state.

Visits Hartford University

AU2305102991 Budapest MTI in English 1624 GMT 19 May 91

[Text] Hartford, 19 May (MTI)—East-Central Europe is ready to join the community of the West and contribute to its values by adding its own, but it wishes to receive a clear answer as to whether the West wants it to do so, Hungarian President Arpad Goncz said in his first speech during his visit to the United States on Saturday, at the year-closing celebration of the Hartford University, where he was present as an honorary guest.

In recognition of his exemplary career, Goncz was made an honorary doctor of law at the Hartford University.

Hungary, being in a grave economic situation, is not asking for aid but for a widening economic co-operation, Goncz said. "Our region offers opportunities for safe investments," he added.

On May 19, President Goncz is the guest of the Hungarian community of Cleveland. On May 20, he is to visit Colombus, the capital of the state of Ohio. In the evening, he will meet representatives of the Hungarian community of New York.

Delivers Speech in Cleveland

AU2305115391 Budapest MTI in English 0932 GMT 20 May 91

[Text] Washington, 20 May (MTI)—The head of state of Hungary and the president of the Supreme Soviet of the Republic of the Ukraine are to sign an agreement on the protection of minority rights. The document may become a model for similar agreements, Arpad Goncz, president of the Republic of Hungary, said in a gala lunch held by the local Hungarian community in his honour.

In the United States on a private visit, Goncz arrived in Cleveland, Ohio State, a city with 150,000 inhabitants, having left Connecticut. In reply to questions, he said:

The last Soviet soldiers will definitely be leaving Hungary on June 30. No matter how welcome this fact is, I am preparing for the celebrations with some trepidation. It would hardly serve the interests of the country if we were to offend the withdrawing Soviets. It is our concern that their departure be one that leaves happy memories, Goncz said.

The Hungarian president visited the Hungarian school of Cleveland and laid a wreath on the Kossuth statue and the Mindszenty memorial.

On Sunday evening, Goncz arrived in Columbus, the capital of Ohio State.

On Monday, Goncz is to meet the governor of Ohio State, senior university people, and representatives of local business circles. From Columbus, Goncz is to leave for New York.

Prime Minister Antall Interviewed on Paris Visit

LD2305224891 Budapest Kossuth Radio Network in Hungarian 1630 GMT 22 May 91

[Interview with Prime Minister Jozsef Antall by Miklos Martin Kovacs on Antall's arrival from France; date not given—recorded]

[Excerpts] [Announcer] The Hungarian prime minister arrived home from Paris early this afternoon. Jozsef Antall stated in the French capital that the preparation of the treaty regulating French-Hungarian relations is proceeding well. France is providing help in shaping the Hungarian banking system and participating in the reorganization of the police too. At the negotiations it was also suggested that French investment could be doubled this year—this is expected. Reporter Miklos Martin Kovacs also asked the prime minister on arrival about how the International Exhibition Bureau [BIE] considers the Hungarian Government's undertaking to hold the World Exhibition alone.

[Kovacs] Prime Minister, you often think the image which your government has is innaccurate. What did the French looking glass show?

[Antall] [It showed a] much better picture than may be assumed on the basis of reports in some Hungarian papers. However, there is little surprise here, I think.

[Kovacs] Ultimately, what are the main points that the French president welcomed in your policy, or in your achievement and did he express any kind of criticism?

[Antall] He did not express cirticism but obviously this does not mean that he may not have a critical view perhaps; however, critical comment was not voiced. The other thing is that he highly assesses the Hungarian Government's activity over this past year. He ranked Hungary among the most stable countries in the region and one that has the best chance of getting out of the economic situation which we are in. [passage omitted] We noted that this government has been in office for a year, but we are not celebrating this achievement. We held talks that were much more direct than this, much more realistic, and that focused on the essential points. [passage omitted]

[Kovacs] Mr. Prime Minister, in connectin with the World Exhibition you met the BIE general secretary. Did what was said there alter your opinion, or did it have any special bearing on your position?

[Antall] I would not say that it did not. I regard the issue of the *World Exhibition as a responsible decision, and* to decide it finally, legally, we must obtain all the information accurately. So I wanted to get information on what the General Assembly, to be convened on 5 June, will take a stance on, and what the chances are [for Hungary to stage the World Expo on its own] in their view, from the viewpoint of the BIE. It is clear that on 5 June, the BIE will make a decision, on the basis of the Austrian Government's decision. When we spoke, the BIE had not received any official position from Austria, that it may have renounced the World Exhibition. In all probability, however, it had to take as its point of departure the assumption that after the decision taken by the people of Vienna, Austria will renounce this. [passage omitted]

[Kovacs] While you were away we learned from press reports that the new Slovak head of government intends to address what amounts to virtually an ultimatum to the Hungarian Government. They want to build the Gabcikovo power station, water works if necessary alone, which means they will be diverting the Danube. Now, hearing this report afresh what are your comments?

[Antall] I have to begin by saying that before the Hungarian Government makes any final statement on this issue we must know precisely what Prime Minister Carnogursky's position is. I have known him for a long time, and we must know the Czech and Slovak internal political situation as well.

Taking the diversion of the Danube alone; since the Peace Treaty of Trianon states that the border between Hungary and Czechoslovakia is the middle of the main stream of the Danube, the diversion of the navigable Danube would be the most serious violation of international law. This would simply amount to a border violation.

Editorial Analyzes Relations After CEMA

AU2305105991 Budapest MAGYAR HIRLAP in Hungarian 21 May 91 p 7

[Ilona Kocsi editorial: "At The End of June...."]

[Text] At the end of June 1991, the last Soviet soldier will leave Hungary's territory, and the abolition of CEMA will be put down in writing in Budapest. At last week's meeting in Moscow, the negotiating partners managed to agree that they would not delay the signing of the document on the abolition any more, because it has already come true, whether the individual members wanted it or not.

Most of them wanted it, however. The last 40 years proved the fact that no sovereign country or company can be forced to cooperate in the economic sphere on the basis of political aims. If they are forced then that can usually only be done by violating economic interests, which sidetracks the whole organization in the long run. This is what happened in the case of CEMA; thus, more and more disadvantages surfaced beside the obvious advantages, and they considerably con*tributed to the contradictory development* of the individual countries, which fell further and further behind international tendencies.

The involuntary relations that did not always respect national sovereignty will come to an end at the end of June 1991. Both in the economic and in the military spheres.

Cooperation based on advantages, however, will hopefully not come to an end. Not all that happened among the so-called socialist countries in the last 40 years was bad, whichever way we look at it. A good number of products that otherwise would not have stood a chance with more discerning customers found reliable markets. It is a different issue that companies were not forced to develop and many of them are hopelessly uncompetitive today as a result of their cushy position in the last 40 years. Today, we pay the price of comfort and security. At the same time, Hungarian companies working in these countries—including the Soviet Union, which is much desired by Western companies—became thoroughly familiar with the local markets and business practices during the past 40 years. This knowledge could be worth "gold" in the future, or it could at least result in successful business relations. We cannot—and need not—erase the past in one day after 40 years of cooperation, on the contrary....

Something new could begin at the end of June. Without Soviet soldiers or disadvantageous businesses. Although some of the member states would have welcomed CEMA's "survival," sober reasoning triumphed. Since then, most of the former members have committed themselves to developing a market economy; they work out their own strategy with European development in mind, and they do not intend to join another introverted organization that centrally directs business. They accept that economic interests work best on a company level, and the center can only assist or hinder their development, it cannot create the interest. At the same time, several topics remain from the past, waiting to be discussed. Thus, if a forum was created as a quasi successor organization, most of the former members would welcome participation in it. Of course, it is possible that a European-centered development would not suit those former members that are outside Europe, but they will have the chance to set up relations that correspond to their position, possibilities, and interests.

A new era can start at the end of June. With real interests, true friendships, and useful business relations. It would be hard to find a more stable basis than this....

Trade Ties, Solutions Discussed With USSR

LD2405020991 Budapest MTI in English 1202 GMT 23 May 91

[Text] Budapest, May 23 (MTI-ECONEWS)—It is to be hoped that talks on drawing up indicative lists for trade between Hungary and individual Soviet republics will take on a concrete form from July 1.

Indicative lists lay down the terms of trade not subject to official licensing for inter-company contracts, and have so far been compiled by the Hungarian Government and the central Soviet government.

There is also a chance that the ways and means of distributing spheres of authority between the central Soviet government and the republics will soon be cleared up, Laszlo Timar, senior official at the Hungarian Ministry of International Economic Relations, told ECONEWS today.

The individual republics will also be authorized to finance foreign trade in goods lying within their competence.

The problem is, though, that, owing to the lack of infrastructure and expertise, the banks of the individual republics are simply not up to managing transactions for the moment.

For some time to come, these functions will therefore be carried out by central Soviet banks on a commission basis, and not on an official licence basis.

Owing to payment difficulties the Soviet partners are currently experiencing, barter trade and clearing accounting rather than hard currency accounting are the only real viable means of carrying out two-way trade.

The Soviet Government recently did away with the extra tax which tended to put Soviet exporters off the idea of counter-deals, meaning that obstacles in the way of barter trade have now been removed.

Talks are now under way on introducing clearing accounting for the range of products not on the indicative list.

Central, as well as two-way, clearing arrangements are on the cards.

Negotiations have also started about a three-way arrangement in which the European Bank for Reconstruction and Development (EBRD) might also take part.

Though the Soviets are concerned that involving a third party might make transactions more expensive, they are not actually opposed to the idea.

As far as Mr. Timar understands, the EBRD does not itself intend to participate in handling clearing accounting, but is ready to help the partners by granting guarantees.

So-called compared-account clearing arrangements will also be conducted on a company level.

These clearing systems will be a new departure in that payment will be implemented in cash and in dollars at that, Laszlo Timar stressed.

Mr. Timar has been given to understand that the Soviets have actually started opening L/CS [letters of credit] worth a total of $120 million which they were supposed to open this week.

Even so, things are still rather imbalanced, because Hungarian import payments so far this year amount to almost $400 million, whilst the Soviet partners have only opened letters of credit worth $96 million.

Two-way ruble trade ceased at the end of the first quarter of the year: Hungarian companies are no longer allowed to export goods for rubles.

Though the Hungarian authorities are temporarily permitting Hungarian importers with outstanding claims against Soviet partners to make ruble purchases, it is rather doubtful whether the Soviet authorities will allow such consignments to leave the USSR.

Soviet and Hungarian officials are now slightly further forward in reaching a solution about how debts the Soviets have run up in trade with Hungary—worth about 2 billion rubles—should be settled.

The Soviet side has accepted that Soviet debts should be repaid over three years, starting after a grace period of a year, rather than the earlier plan where the repayment period would have been 5 years.

However, the Hungarian side is still insisting on charging market interest rates, whilst the soviet side is unwilling to pay more than 4 or 5 per cent, Mr. Timar said.

Yugoslav Bank To Resume Activities in Country

LD2205164391 Budapest MTI in English 0912 GMT 22 May 91

[Text] Budapest, May 22 (MTI)—The Budapest representation of Ljubljanska Banka wants to resume its participation in the activities of the Hungarian financial market and to expand its ties already established with Hungarian banks, leaders of the Slovenian bank have announced in Budapest.

The Ljubljanska Banka is the only Yugoslavian bank having a branch in Hungary. The branch has been functioning in Hungary since 1974 but from 1983 up to January 1, 1991, it was a mere department of a large Slovenian foreign trading company.

The Ljubljanska Banka has kept accounts with the Hungarian Foreign Trade Bank Co., the Central-European International Bank Co. and the National Bank of Hungary. Besides, it has established ties with the Inter-Europe Bank, the Hungarian Credit Bank and the Budapest Bank.

With respect to the joint venture banks, the Ljubljanska Banka has formed relations with the Unicbank, Citibank and Postabank.

The Budapest branch of the Ljubljanska Banka supports Slovenian companies, activities in Hungary.

Greek Foreign Minister Samaras Ends Visit

LD2205091291 Budapest MTI in English 0837 GMT 22 May 91

[Text] Budapest, May 22 (MTI)—Winding up his official visit to Hungary, Andonios Samaras, Greek foreign minister left Budapest on Wednesday.

Solidarity Resolution Prompts Nationwide Strikes

LD2305085791 Warsaw PAP in English 2050 GMT 22 May 91

[Text] Warsaw, May 22—Following a resolution of the Solidarity national leadership, industrial actions were staged in factories all over Poland today to mark the union's protest against errors in the government's social and economic policy.

The protest action showed the determination of Solidarity members, the determination of people who bear the brunt of reforms but whose efforts are wasted, Solidarity leader Marian Krzaklewski declared.

Krzaklewski said the protest action marked a start to a new formula of negotiations and called upon the government to negotiate proposals on removing errors. "We can achieve stability and there will be less troubles along the road to reforms and democracy if only some of these errors are removed," he said.

Spokesman for Solidarity national leadership Andrzej Adamczyk said that 80 percent of the union's factory committees took part in the protest action today.

Over 4,000 workers from the region attended a rally staged in Warsaw at noon today. The protesters went to the parliament to hand over a petition to the Sejm and Senate speakers, and next gathered in front of the Council of Ministers' office.

Four factories of the Krakow region, including the Sendzimir Steel Mill of Nowa Huta staged warning strikes today but in the majority of factories of the region the crews raised national flags in their workplaces in the only sign of protest.

In the western city of Poznan, a 15-minute strike was staged by some crews, while others attended a rally in front of the voivodship office. A letter addressed to the prime minister was read, in which attention was drawn to errors in the privatisation processes and a lack of a development concept.

One-third of the Walbrzych (south-west Poland) region crews put down tools for two hours. In the Silesian-Dabrowa region, southern Poland, 62 out of 71 collieries staged work stoppages, while steel mill workers reduced their protests to putting up flags and information action.

Several thousand people, mainly textile workers staged demonstrations in the industrial city of Lodz. Representatives of Solidarity factory committees marched along main streets of Slupsk, north-west Poland, while local railwaymen staged a warning strike without stopping train traffic.

Regional Solidarity board in Piotrkow Trybunalski, central Poland, addressed a letter to the region's voivode saying that a general strike should be declared if the union's postulates are not met.

No strikes were staged in the Gdansk region, Szczecin, Elblag and some other cities. Instead, information actions were organised, leaflets distributed at workplaces and national flags raised.

The Solidarity protest action was supported by some local and regional OPZZ [All-Polish Trade Unions Alliance] unions and the Szczecin organisation of "Solidarity 80". The PSL Polish Peasant Party leader Roman Bartoszcze expressed his support for Solidarity postulates.

Citizens Committees Support Solidarity Protest

AU2405083891 Warsaw RZECZPOSPOLITA in Polish 20 May 91 p 2

[Tomasz Roguski report: "Support for Solidarity Protest"]

[Excerpts] The 19 May conference of Citizens Committees expressed its support for the "Solidarity" protest against the government's policies scheduled for 22 May. "We have no intention of overthrowing the government and destabilizing the state; all we want to do is point out that the immense patience of the Poles does have its limits," it was said. It was decided to invite the president to the next conference on 16 June to brief him on social moods in the provinces. [passage omitted]

Zdzislaw Najder, chairman of the National Citizens Committee, reported on the conference on economists at the Belweder Palace. He said that the intention of its organizers had been to tell society that the authorities are aware of the deteriorating economic situation, to provide the government with new ideas, and to communicate to the government the fact that it can, if it so wishes, use the conference as a catalyst for changes to economic policies, instead of strikes. Najder said he was struck by the contrast between Leszek Balcerowicz's remark whereby there is no alternative to the government's economic program, and the final remark by Prime Minister Bielecki whereby the government would examine the conclusions of the economic conference.

According to Najder, the government is unaware of the possible social effects of economic policy because no study of society's reaction has ever been made. He also said that for political reasons, the present cabinet is reluctant to dissociate itself from the Mazowiecki government, even if it is suffering as a result of that government's legacy.

The conference issued a welcoming letter to the pope in connection with his Polish pilgrimage. It also called upon the speaker of the Senate to declare 31 May a Day of the Unborn Child. "We hope the United Nations will follow suit," it said.

Army To Organize Other Transport During Strike

LD2305223391 Warsaw PAP in English 2205 GMT 23 May 91

[Text] Warsaw, May 23—There was no approximation of stands during the talks conducted today by representatives of Warsaw authorities with employees of the Warsaw Municipal Transport Enterprise (MZK) striking for the third day.

The Warsaw City Government decided that the costs related to the prolonged strike would be taken into account when fixing the final amount of the wage rise, Warsaw mayor's press spokeswoman Grazyna Melanowicz said.

The Warsaw authorities insist on an earlier proposal to adopt a 400,000-zloty rise per one Warsaw transport employee as a starting point in the talks, but the strikers demand a 900,000-zloty wage rise per one employee.

Meanwhile, the Warsaw Council's Technical Commission unanimously decided to present a stand to the Warsaw Council, suggesting to turn the MZK into a state-financed enterprise maintaining the hitherto collective labour agreement.

Substitute transport has been operating here but [word indistinct] have to wait no less than half an hour for a ride. Starting from tomorrow, the Army will join organizing substitute transport with six lines operated by military trucks.

Transport Workers End Strike

LD2405095791 Warsaw PAP in English 0639 GMT 24 May 91

[Text] Warsaw, May 24 —After 13-hour-negotiations, workers of the Municipal Public Transport Enterprise (MZK) and representatives of the city authorities reached agreeement which puts an end to a three-day strike of bus and tram drivers.

The agreement will be signed later this morning and at 10:00 public transport will resume work.

April Economic Indicators Paint Grim Picture

AU2405114191 Warsaw TRYBUNA in Polish 21 May 91 p 5

["Wodz" signed report: "Main Statistical Office and the Central Planning Office on the Economy—April, a Mixed Month"]

[Text] The squeeze in demand caused a 10 percent drop in the sale of national production in April 1991. The daily average sales for April were the lowest recorded for 16 months, stated Krzysztof Lutostanski, deputy director of the Main Statistical Office. The sharpest falls were in the following industrial sectors: light industry, metallurgy, and chemicals. Thus, the pricing decisions made in the first quarter of 1991 were clearly an important factor. The low demand for national production was evident in enterprises and consumers. Manufacturing profitability decreased.

The number of enterprises whose income failed to exceed their production costs increased to 40 percent. In the first quarter of 1991, 7,716 enterprises posted net losses, or showed that their costs only barely equaled their income. In the industrial sector overall this was true of 1,747 enterprises (30 percent); 667 building and construction sector enterprises (30.4 percent); 1,733 agricultural enterprises (83.6 percent); and 583 transport enterprises (58.4 percent). This has dramatically increased the process of final financial collapse. It is estimated that about 30 percent of enterprises will soon become insolvent. This situation has worsened the already dramatic state of the state budget, and at the end of April the budget deficit stood at 9.6 trillion zlotys. Social welfare payments and the incomes of the general population were lower than in March and December 1990.

Exports have fallen. Imports have increased by 8 percent. The unfavorable external trade balance has grown to $525 million, mainly as a result of a dramatic surge of private consumption imports, which were $577 million in April and since the beginning of 1991 have totalled $1.714 billion. In the same period private exports have only been $462 million.

Overall, the prospects are bleak. That comes over clearly from the figures published by the Central Planning Office. It appears that industrial production in the period January thru April 1991—compared with the same period in 1989—was lower by 31.6 percent, and in the building and construction sector it was lower by 30 percent. The outflow of hard currency continues. Hard currency reserves of enterprises decreased by 15.5 percent in April. Hard currency reserves of the population decreased by 5.4 percent. At the beginning of 1990, the total value of foreign currency deposits with the Polish National Bank was 5.3 times higher than the value of zloty accounts. At present the value of zloty deposit accounts exceeds the value of foreign currency accounts by 22 percent.

The profitability of enterprises has decreased by 8.3 percent. The tax burden has increased and at present must be the most onerous in the world. The average burden on enterprise profits in the form of various central budget taxes was 85.5 percent in February 1991. In March it had risen to 90.8 percent.

Balcerowicz Addresses Sejm on Economic Situation

LD2305131391 Warsaw Radio Warszawa Network in Polish 0726 GMT 23 May 91

["Government Report on the Current Economic Situation and Plans for Economic Policy for 1991," delivered by Leszek Balcerowicz, deputy prime minister and minister of finance, at the Sejm session in Warsaw—live]

[Text] Mr. Speaker, may it please the House. The system transformations of the Polish economy have yet again found themselves at a very difficult juncture, possibly a

breakthrough point. On the one hand, there is an accumulation of economic problems, of which the fundamental ones are linked to the collapse of the economic system in Eastern Europe, and in particular the sudden collapse of our exports to Soviet markets. On the other hand, there are symptoms of pre-electoral fever, in which economic issues are becoming the object of public and political arguments, as well as fueling up the conflicts of group interests. The combination of these factors places a dramatic alternative on the day's agenda: Will we continue along the chosen path, toward a better economy which ensures the development of Poland and dignified existence for society, or will we waste all that has been achieved with such difficulty, and return to the race between wages and prices, and economic chaos?

I believe we have just one answer: that no one is consciously gambling with our collective opportunity and human expectations. I hope that we have preserved our unbreakable strength to overcome difficulties together, for which we have been admired by the world so far.

May it please the House, I would like to concentrate most of all on the economic situation. I also wish to discuss briefly, as the House has been issued with the more extensive materials, the government's intentions which, as I have said, were presented as extensive materials to the Sejm last week. Also, I wish to discuss the proposed legislation connected with them.

The current economic situation must not be seen in isolation from the processes which occured in the whole implementation of the economic transformations, which has been going on for nearly a year and a half. One must also not forget about the state of the economy at the point when these transformations were undertaken.

The economic collapse in the second half of 1989, the galloping inflation, and the nearly 50-year experience of living in an inefficient economic system prompted the necessity of breakthrough changes. The collapse of the economy occured a long time before the system changes were initiated in 1989. These changes exposed the fiction in which we had lived until this time. The true state of the economy was exposed: the destruction of the environment, unnecessary production, and hidden unemployment which in the conditions of market confrontations ceased to be hidden and became a problem obvious to all. In autumn 1989, focusing on actions for the sake of the future, we failed to solve the full inventory of problems inherited after years under a wasteful system. Let us recall that we then faced the dilemma whether to try to carry out institutional reforms, tolerating galloping inflation—a phenomenon which had never occured with such intensity in our post-war history—or whether to combat it as quickly as possible, starting at the same time the construction of the new economic system. We considered the first variant as much worse. The galloping inflation would have destroyed any attempt at achieving more profound change in the economic system, and it would have become part of the psychological and institutional structure of the society, which would make it extremely difficult to combat it in the future.

We have therefore chosen the strategy of simultaneous stabilization of the economy and system changes. We were aware that such a strategy is very difficult and innovative. Such a strategy must, however, be compared with possible results of having chosen the first variant, which would not have given any hope.

Let us leave for the moment the tensions of the present moment and take a look at the road we have traveled so far. Apart from bringing high inflation under control and providing goods in shops, we have created the almost fully functioning mechanisms of a free market: goods and services, which have real costs and prices. This means that economic decisions can be made on the basis of much better information about the true possibilities of various spheres.

We are more keen to agree with those critics who demand a rigorous fiscal policy. In the third quarter of last year there did indeed occur a certain loosening up of macroeconomic policy. This was combined with a later powerful external inflationary impulse, in the shape of rising fuel prices on world markets and the climate of heightened wage expectations which occurred, as you know, in the course of the pre-electoral campaign in the second half of last year.

The joint result of these phenomena was the intensified movement of wages and prices. This situation was later exacerbated by a drastic collapse of our exports to Eastern markets.

I wish to point out that a drop in production has occured in all the countries of the former Eastern bloc, irrespective of what, if any, reforms they have undertaken. The recession in the countries which are also on the path of reforms, namely in Czechoslovakia and Hungary, has a strong tendency to increase, and according to international forecasts, the accumulated fall in production and national incomes will in those countries be no less than in Poland during the next three years. There is a dramatic situation, as we know, in the former GDR, where recession and unemployment have reached the highest levels. At the same time it is not true, as is often proposed, that this testifies to the general incorrectness of the radical programs of economic amendments. The main reason for economic problems in East Germany was the early currency exchange rate and later wage expansion. This resulted in an increase in costs and mass bankruptcies. We managed to avoid this mistake thanks to the correct shaping of fundamental economic relations at the very outset.

We have a real, convertible currency and an economy open to the world, as well as an open field for entrepreneurship. The banking system is developing and there are the beginnings of a capital market. By a great joint effort of the Sejm and the government, the legal foundations of the new economic system have been created. In recognition of these results, we have gained the reduction of our indebtness, which strengthens the credibility

of our economy and makes it possible for foreign capital to flow into it. This unprecedented step constitutes an expression of appreciation by Western governments of Polish achievements so far. Let us remember that the promised further reduction of our debt will take place if we stick to the principal path of transformations.

In spite of these results, we all know that the economic situation is difficult, more difficult than we assumed a few months ago. The fall in industrial production constitutes the fundamental problem and is the subject of our special attention—we are not trivializing this problem in any way. The package the government presented to the House serves as the basis for its permanent solution. In debates on the economy, accusations are often made about the constant and excessive restrictiveness of the stabilization program. Against this background it is often claimed that a faster growth of production might be gained simply by abolishing the rigors of the economic policy. One cannot agree with such a stance. It is impossible to buy a lasting and healthy progress for the price of high and increasing inflation. Real problems are not solved by simply injecting more money into the economy. They can only be tackled by reaching for the roots of the problem, the transformations in the economic system, and the universal, although difficult, improvement in management connected with them.

We also applied a difficult anti-inflationary wages policy. We should be able to learn from the bitter experience of East Germany—only by keeping strict controls on costs, including wages, is it possible to make enterprises, and in consequence the whole economy, competitive, which in turn opens world markets, and through this makes the economy dynamic and creates the possibility for increasing new employment.

The difficulties of restructuring which we are noticing, the real human problems and dramas, must not be a pretext to give up the stable economy and risk everything achieved so far. The conditions for stablizatioa must be maintained, particularly now, when our money does buy something and it is worth working in order to earn it.

As for the recession and its social consequences and the fall of real wages and the level of unemployment, I would like to make one comment here: I am far from not appreciating the fact that a large section of our society suffers material hardship and faces the threat of job losses and is concerned about the future. Such facts are at the center of attention of the government, which within the framework of the limited public resources—because the government has no resources of its own, it uses the resources which it takes away from the public in the shape of various taxes—is doing everything it can to alleviate such public social suffering. But there is also another side to this phenomenon.

First, a large proportion of the production that has been abandoned because of market-caused difficulties is the production which in a sense is not wanted, is inappropriate, which consumes human labor and materials and does not satisfy real needs as expressed in the real market. Getting rid of it is in a sense getting rid of a burden. We noted in the past, for instance, great coal extraction, without information of how much stone it contained. Public transport boasted of increasing transportation figures, which to a large extent were the result of lack of concern for the cost or were the result of nonsensical regulations. Thanks to real prices, which permit an evaluation of the true public costs, our limited resources can now be used better and more wisely. I also want to point out that the revolution in trade and in the market in the last dozen or so months is not just a factor of the better material situation of people working in this sector, but also a factor in improving the quality of life of all consumers. It is enough to think back to the conditions in which we were shopping less than two years ago. Such changes are not fully reflected in the statistical data. The system of statistics is in the process of adapting to the new reality.

May it please the House, conditions which are more difficult than foreseen and which have occured in our economy, have found reflection in the public funds. In the first quarter of this year, revenues were about 15 percent less than planned. Such deviation concerns mainly revenue from income tax on state enterprises. This gap was not compensated for as was planned by greater incomes from, among others, taxes in the private sector, duty, and profits of the Natonal Bank of Poland.

To react to the lower growth of revenue than was assumed in the budget law, it was necessary to adapt expenditure to existing possibilities. As a result, the process of budget deficit growth noted in March and the first half of April has been halted. Here I would like to add that, according to the earlier forecast, a deficit was to occur in the first half of the year because of the way in which incomes were to be distributed for the first and second half of the year. De facto deficit was, however, greater than planned. The newly introduced means of budget implementation permitted us, however, to maintain current control over public finances. The government intends to use the powers granted to it in the budget law to adapt ad hoc the sizes of incomes and expenditure, while strictly observing the established procedures on informing the Sejm and the Senate about the actions taken.

At the same time it is necessary to stress that the adaptation of expenditure will not include means for welfare protection for the weakest, and also that we are carrying out an urgent analysis of the financial situation of hospitals.

On 16 May the government examined measures aimed at greater rationalization of budget expenditure and improvement in the income side. These have been described in the materials presented to the House and also in the relevant draft laws. These proposed steps include, above all: tightening checks on the implementation of central investment projects, and adaptation of financial means to step up work [as heard] and changes in the customs law, making collection of duty more efficient, which will increase incomes

from this source. Also, there will be an acceleration of the accounting of target funds [fundusz celowy] which are being discontinued. [as heard]

We are preparing the transformation of some budget units into self-financing budget enterprises [zaklady] together with the change in charges for their services. Improvement of management of medicines and introduction of fees for stays in sanatoriums—these are successive steps that have been proposed. We also do not exclude the possibility of asking the Sejm for draft changes in the budget law.

It can be done, however, at the earliest in the second half of the year, when economic results for the first six months will be known, and there will be better foundations for drafting possible changes. I want to add that the government will not propose a significant widening of the gap between expenditures and revenues, as one cannot spend more than one earns. This truth applies not only to a single family, but also to the whole national economy.

Ladies and gentlemen, against the background of existing economic problems there has been growing criticism of the economic program, and this is justifiable. One of the main objections concerns a difference between economic forecasts made for economic policy and drafting the budget, and reality. Indeed, there have been serious disparities in some points. Focusing one's attention on the deviations, one must take into account the conditions in which the actions took place. While working with speed, under great tension and under great pressure from people and events, it is difficult to avoid errors in estimates and forecast. This is even more true when it concerns actions without precedent, when one cannot fully rely on precise patterns of economic processes, which, after all, also go wrong in countries with a stable economic system, where there is no need to change the basic structure. Working on the assumptions of economic policy and on the budget bill, we have been aware that there is a considerable margin of indefinableness. Various scripts are possible, including one taking into account a less favorable course of economic processes than in the adopted assumptions. That is why, while presenting to the House the assumptions of economic and social policy for the current year, we have stated that one cannot exclude the possibility that the situation may develop according to a different script.

The slump in demand in the first zone of payment [transactions settled in dollars], limited efficiency of export-promoting actions, lack of possibilities for selling goods exported to the first payment zone in other markets, and also slow, conservative adjustments by enterprises and their limited interest in investment, together with existing external threats, may lead to stagnation and even to a further drop in production and national income. End quote. The events have taken place in accordance with a more difficult script. In response to the unfavorable course of events, we have undertaken work, the results of which are presented in material submitted to the House, and which I will discuss briefly later in my speech today.

Another aspect of criticism concerns the cost of the economic program, particularly in terms of very ineffective welfare protection. It is obvious that deep changes in the system cannot be accomplished without considerable cost. We are fully aware of the hardship suffered by many families. Looking at things from the national point of view, however, one must state that there has been an increase in welfare expenditure, perhaps even exceeding the public's ability to pay for it, which find its expression in the state budget. Acting under the pressure of time, we have made errors in some solutions, for example in the benefit system, which has created a certain amount of fictitious unemployment. We are correcting the errors—we submitted earlier amendments to the law on employment—in such a way that a limited stream of public means can be directed to the fight against true poverty and high structural unemployment.

We will concentrate the rationalized system of welfare protection on these problems. It is also worth remembering that the average old age pension in 1989 amounted to 48 percent of the average wage, in 1990 about 57 percent, and in the first quarter of this year about 65 percent. The real value of old age and other pensions in the first quarter of this year was about 29 percent higher compared to the same period last year. In the two years of implementation of the extremely difficult program, it was possible to level off the gap between the wages of the budget [state sector] sphere and the so-called material-production sphere. Socially important professional groups unsuccessfully demanded the removal of this gap in the past. Ladies and gentlemen, currently the key point is to rebuild the economic structures quickly and to adapt them to the demands of the market economy. It contains a set of already realized or currently undertaken actions whose signficance and effects will go far beyond the current year. The current government does not just think about the near future.

The proposed actions described in the materials presented to the House can be divided into three fundamental groups: The first concerns the rationalization of public finances. I outlined it when discussing the budget situation. The second group of tasks concern the improvement of the external conditions for management—opening markets for goods. Here we are conducting intense and difficult talks with our partners in the East and we are in the course of negotiations on the issue of association with the EEC. Here the point is, among other things, to create opportunities for new sales, new opportunities for selling such products as textiles, metallurgical products, and agricultural produce. The third group is an institutional task forming the conditions for the functioning of enterprises and their internal system.

As I have said, a detailed discussion of these three groups of measures is contained in a document given to the esteemed chamber last week entitled: The Intentions of the Government in Restructuring the Economy. Here I would like to recall the main directions of action in the last and most important group of tasks mentioned above, that is within

the sphere of transformations of the institutional structures of the economy. Here four groups can be singled out. First, the transformation of state enterprises; second, an increase in the inflow of foreign capital; third, the strengthening of economic demands on economic units to improve their functioning; fourth, a program of state aid for centers of particularly high unemployment—this is supposed to help support local government initiatives.

The first of these groups, the program for transforming enterprises, (?deals with) three fundamental areas. First, large state enterprises. In the immediate future it will embrace the commercialization, that is the transformation, of state treasury companies, of at least 400 enterprises which will be privatized afterwards, including mainly general privatization using capital vouchers, and with the participation of simultaneously created associations of joint investment. The Ministry of Ownership Transformations will soon present plans in this area. Capital privatization will also be continued at an individual rate. In the next stages, but also during the current year, we would like to carry out the commercialization of another 600 enterprises which will be privatized in subsequent years, with the submission of an approximate schedule for that later transformation.

We believe that this operation—I am referring to commercialization—will improve the adaptability of state enterprises. It will be accompanied by a strengthened administrative personnel situation, which will stabilize and motivate it toward better management through appropriately worded managerial contracts. At the same time we do not, for the moment, rule out an even greater transformation of enterprises into state treasury companies than I indicated above. That would require, I would say, further public discussion, urgent public discussion.

In respect of small and medium enterprises, the Ministry of Ownership Transformations, in collaboration with other components of government administration, is creating a system of quick sales by auction, based on simplified principles of property valuation. This is where we want to place our main emphasis. We will not, however, give up existing forms of privatization of smaller enterprises, including leasing, where the additional free liabilities have recently been eased.

We will also accelerate transformations which amount to breaking up enterprises or confiscating some of their property to pass it onto better masters. Here we are introducing necessary simplifications in the regulations.

We assign an important role to foreign investments. Without a greater influx of resources from other countries, it is impossible to get the required investment and access to new technologies and management methods which are necessary to eliminate the backwardness of the Polish economy. That is why we attach so much importance to the bill on companies with foreign capital, which has been submitted to the House and is being subjected to intensive work. We are also developing promotional activities to attract serious foreign investors.

It must be remembered, however, that these activities will not immediately remove Poland from the hard road of reforms politically stable, not subject to xenophobia, seeing a conspiracy of hostile forces everywhere. The increasing economic demands on economic units complement the measures aimed at transforming the internal systems of enterprises. Changes in production, increased productivity, lower costs, and improved quality require specific measures, initiative, and good, well-organized work. Progress in this area is impossible without keeping up the pressure of stringent financial requirements and intensifying competition through a sharper anti-monopoly policy. The latter is promoted by amending the act on combating monopolistic practices, which was forwarded to the House.

The belief that departing from these principles can remove the problems currently bedevilling the economy is to believe that the paper money is printed on can replace good and well-organized work, energy, and human initiative.

Stepping up the demands made of enterprises will also consist of stepping up bank control, with the aim of curtailing the phenomenon of banks giving credits to enterprises which augur no hope of improvement. The assets thus freed can be used to finance the development of new, promising economic sectors and units. This aim of putting limited public assets to better use, transferring them to better managers, is also served by streamlining liquidation procedures and more determined action by founding bodies.

May it please the House! In accelerating the rate of structural transformations, the government is fully aware that it is not always possible to effect a smooth replacement of what is being removed from economic life by new forms of activity. That is why an important part of the whole program of restructuring is aid for centers of particularly high structural unemployment. The central idea of these measures is financial and organizational support for local government initiatives. A list of parishes threatened by particularly high unemployment has been drawn up. We will concentrate the activity of special instruments on these centers of high unemployment, such as, for example, tax relief in the form of accelerated depreciation and relief in the draft law on foreign investments, which has been submitted to the Sejm, as well as the actions of institutions created earlier with the idea of supporting structural changes and entrepreneurship. I have in mind here such organizations as the Polish Development Bank, the Agency for the Development of Industry, and also the Labor Fund. Some of these institutions will soon gain support for the World Bank fund; therefore, their opportunities for action will increase.

Esteemed House, the government is determined to bring into effect the intentions presented to the House quickly and with full consistency. For this to happen, the swift passing of a package of legal changes, which will form the basis for implementing these intentions, is imperative.

Its first part is formed by drafts which were earlier presented to the House and are being examined. I remind you that I am speaking here about draft laws that deal with foreign investment, an amendment to the banking law and the Polish National Bank, and also the difficult but necessary draft law concerning the principles for paying for medicines and sanitary articles. I also add that two tax laws have fundamental significance for public finances next year.

In addition, the government is proposing draft amendments to the customs law, amendments to the law on countering monopolist practices, the law on interest in single-owner state treasury companies, the amendment to the law on regional bodies of the government's general administration, the law on implementation of charges for bed and board at spa sanatoriums, the amendment to the law on special principles for dissolution of work contracts with employees—but they concern work enterprises.

I fully realize the burden of work the esteemed House has. However, I would like to recall the climate of mutual, strenuous work on the first package of laws concerning the economic program in December 1989. I believe the current need is equally urgent.

Mr. Speaker, may it please the House. We are convinced that if the hard and indispensable requirements of the stabilization policy and genuine implementation of the proposed intentions are maintained, we will be able to implement the economic transformations which will enable us to go over to a stage of development. The accumulation of difficulties, both external and internal, can only slow the march toward development, but it is incapable of stopping it altogether if we do not destroy what has already been achieved.

The most important thing in our economy is the fact that it is on the right track. Basic market mechanisms have been introduced, and thanks to the reduction of our debt and favorable foreign contacts, we have possibilities of greater influx of resources from outside. This is a great opportunity. Poland has found herself in the lead among the countries in Central and Eastern Europe as far as systemic transformations are concerned, and within a few years it can achieve progress on the way to permanent development.

One thing must be said clearly, however: We will not avoid the difficulties of transformations. Restructuring the economy is painful and expensive. However, thanks to it, within the framework of the new system, human resources are released, and with it flexibility and better-organized work, building on the new areas of activity in the economy.

We have a chance of success, but it is just a chance. One of the obstacles to overcome is the current political climate, which hampers the difficult decisions. The link between economy and politics is clearer than ever before, and unfortunately rather harmful for Poland today. It is obvious that many social groups, while bearing the costs of the system transformations, are feeling anxiety and alarm—and nearly everyone would like to be compensated for the past. Society cannot pay compensation to itself—this would be a harmful game of appearances.

The change in the system that is taking place demands from us courage and responsibility for our own fate and for the public good. I wish to express hope that in spite of the difficult circumstances, and maybe under their influence, the Sejm debate will go in this direction. Thank you for your attention.

New Measures on Foreign Deserters, Privatization

LD2405041191 Warsaw PAP in English 2157 GMT 23 May 91

[Text] Warsaw, May 23—Soviet Army deserters and civilian citizens who left their units stationed or transitting across Poland will be delivered to the Soviet authorities after prior notification of the Polish Internal Ministry and the government plenipotentiary for the Soviet troops stationing in Poland, said director of the social and administrative department in the Internal Ministry Jerzy Garlej here today.

Deserters legally entering Poland from the Soviet territory will be treated like other aliens while their declarations of being deserters should be passed to the Internal Ministry. Those who cross the Polish border illegally will be transferred to the Soviet authorities. Czechoslovak deserters will be treated in a similar way.

Garlej, who was addressing a conference of government members, voivodes (governors), and delegates of the government plenipotentiary for the reform of local self-government, also said that Soviet deserters arriving from Germany will be sent back in line with the readmission agreement signed with the Schengen countries. Temporary arrest may also be used on deserters whose cases will require more thorough clarification.

"Poland is not a party to the convention on refugees but complies with its provisions," Garlej said adding that the procedure leading to Poland's joining the convention had already been started.

A group of about 330 persons are now registered as refugees in Poland, among them 298 have been granted the refugee status and 32, most of them Lithuanians, were refused this status by the UN high commissioner. The Internal Ministry believes it is possible that these people will leave Poland by the year end. In case their number would grow, plenipotentiaries for refugees will be installed in several Polish provinces.

There is a group of aliens in Poland who can be considered unwelcome or troublesome, most of them being Romanian Gypsies and citizens of Bulgaria and the Soviet Union. The voivodes (governors) will be allowed to deport them if necessary and, until deportation, force to stay at special centres that will be set up if necessary.

A quick-sale system of small and medium sized enterprises has been provided under which the sale initiated by parent

institutions will be carried out by way of tendering or public offer, the conference of voivodes was told by representatives of the Ministry of Property Changes. The opening price will be set in a simplified way without the now-used costly evaluation procedure and this price may be reduced if no buyers are around. The voivodes are parent institutions to most small and medium sized enterprises which means decentralization of the sale process and access to privatization of a large number of firms.

Liberal-Democratic Congress Leader Interviewed

AU2405083291 Warsaw RZECZPOSPOLITA in Polish 20 May 91 p 2

[Interview with Liberal-Democratic Congress Chairman Donald Tusk by Malgorzata Subotic; place and date not given: "We Are Counting On Individuals Rather Than Structures"]

[Text] [Subotic] Did the second conference of the Liberal-Democratic Congress provide an answer to the question what is Polish liberalism?

[Tusk] Liberal values have very weak roots in Poland. This might sound like a paradox, but during the conference we realized how little liberalism there is in Poland. One can tell from the way in which people tend to be more active as groups than as individuals. What gave the Congress a certain measure of social support—i.e. the formation of Jan Krzysztof Bielecki's government—may turn out to be a danger for liberalism, for there is a danger that the present dismal non-liberal state of affairs in Poland may be identified with liberalism.

[Subotic] From the point of view of the elections, might not the demise of those government members who belong to the Liberal-Democratic Congress be a good thing for the party?

[Tusk] The Congress does not indulge in political contests. If our colleagues in the government accepted responsible positions, it was not to take part in such contests.

[Subotic] Why did the conference introduce new executive bodies for the Congress?

[Tusk] It was essential. We are no longer a social club; we are now a genuine political party. The newly created secretariat and secretary general will help the Main Board with its organizational activity. The political council, however, will consist of the most prominent Congress members, and that will give the Congress added political significance. The statute does not give the Council any particular powers because we decided the Council would not work "directly" for the Congress. We have left ten vacant seats in the Council and in the Main Board. We expect new individuals and groups to join us, and are holding talks with other liberal groups such as the Conservative-Liberal Party and Republican Party.

[Subotic] So you expect the Congress to act as a magnet attracting all Polish liberal groups?

[Tusk] We are expecting individuals rather than groups. It is more difficult to convince entire groups to join us because their leaders remain faithful to their party banners.

[Subotic] Do you fear that the Liberal-Democratic Faction of the Democratic Party may dominate the Congress because of its numerical strength?

[Tusk] Indeed, former Democratic Party members comprise about one-third of the Congress. Nevertheless, every member of this faction will have to fill in a declaration and be accepted by a local Congress committee, so I do not think these people are opportunists. Those I have met are genuine liberals and harbor no sentiments toward their past affiliations.

[Subotic] What kind of election result would the Congress like to see?

[Tusk] I do not think we are in any danger of not entering the Sejm, though I think the results of opinion polls give an artificial picture of the Congress' position. Winning over 10 percent of the votes would be an obvious success. We are in a comfortable situation where any kind of election result is acceptable. We did not spend too much time discussing the elections, because we trust professionals more than democratic discussions. We intend to avail ourselves of the help of Polish and foreign experts.

Walesa Hails New Stage in Joint Jewish Relations

LD2405035691 Warsaw PAP in English 2019 GMT 23 May 91

[Text] Warsaw, May 23—Having returned from a four-day official stay in Israel President Lech Walesa said this afternoon the visit opened up a new stage in the Polish-Jewish relations and added that that concerned not only Israel as a state but also Jews all over the world.

Referring to his meeting with a delegation of Palestinians, Walesa said Poland wanted the best possible relations with everybody. Asked to comment on the request made by the Israeli side to close the Palestine representation in Warsaw, the president said it was a lie or a joke.

Asked what did he write on a sheet of paper left at the Wailing Wall, Walesa said it contained a wish of "success for the Polish reforms with assistance of the world."

Prime Minister Continues Visit to Gulf States

Makes Statement at Kuwait Briefing

AU2305193691 Bucharest ROMPRES in English 1821 GMT 23 May 91

[Report on statement by Prime Minister Petre Roman at news conference in Kuwait City;—date not given]

[Text] Bucharest ROMPRES, 23/5/1991—Speaking about Romania's stand in the Middle East matter, Premier Petre Roman told a press conference organized during his visit to Kuwait that Romania supported any action apt to settle the conflict and that it favoured a conference attempting to reach a settlement.

We believe there is a real chance for such a conference to be both staged and to lead to a generally acceptable settlement, the Romanian premier said.

Answering a question about Romania's relations with countries of the south, with underdeveloped countries, the head of the Romanian government said: We wish to be present in this area and we are convinced a lot of common interests may be developed, without by doing so slowing down our European integration.

Referring to the future of Romanian-Iraqi ties after the Gulf crisis, Premier Roman said: We believe Iraq's debt to Romania cannot be suspended. The debt amounts to almost 2 billion U.S. dollars, plus 8 civilian building sites in various industrial fields.

Signs Cooperation Agreements in Kuwait

AU2305194491 Bucharest ROMPRES in English 1858 GMT 23 May 91

[Text] Bucharest ROMPRES, 23/5/1991—During the Romanian premier's visit to Kuwait three new cooperation documents were signed: a trade agreement, an agreement to mutually promote and protect investments and a cooperation understanding between the two countries' chambers of commerce, announced Foreign Ministry spokesman Traian Chebeleu on Thursday, May 23, during a press conference.

The trade agreement is seen by the Kuwaiti partners as essential to the organisation of the two countries' cooperation on a new basis, and the cooperation understanding between the chambers of commerce is meant to facilitate collaboration of the private sectors in Romania and Kuwait.

In the near future the Kuwaiti finance minister will visit Romania in order to study the opportunities for Kuwaiti investments and other banking and financial arrangements.

Mr. Petre Roman had a working meeting with the secretary general of the Gulf Cooperation Council [GCC], during which he forwarded the idea—which aroused the secretary general's interest—of a meeting between the council's member countries and the east European countries, similar to the meeting with the member states of the Rio Group.

Soon a delegation of the GCC will visit Romania.

The first conclusions of the Romanian premier's visit to Kuwait reveal genuine possibilities of economic cooperation between Romania and Kuwait, which will become reality in the near future.

The Romanian Government firmly disapproves of child trafficking, of individuals without scruples taking advantage of humanitarian feelings of persons wishing to adopt Romanian children, Mr. Traian Chebeleu, Foreign Ministry spokesman, declared in his weekly press conference. The government is determined to create a better legal framework as well as conditions for the implementation of the law, so as to best defend the human rights of all parties connerned. To that effect, the Romanian Government has introduced a bill in Parliament, subject to fast procedure, completing and amending legal provisions on adoption, which is likely to prevent any further violation either of the children's or the adoptive parents' fundamental rights, as well as any abuses or offences of either side in the process of adoption. The bill has been passed by the lower house and is going to be examined by Senate in the coming days. The new law is meant to put an end to child trafficking: every case of international adoption will be subject to approval by the Romanian Adoption Committee and the actual adoption will be operated only by foreign bodies authorized by the foreign state if question and recognized by the Romanian adoption committee.

CMEA is traversing a serious crisis and must be dissolved, stated Traian Chebeleu, spokesman of the Romanian Foreign Affairs Ministry, at his weekly press conference. This organization, he stressed, was the expression of that economic model which had replaced the market with a counterproductive supervisory administrative mechanism. It was the expression, instrument and product of Europe's artificial division which broke East Europe's contacts with the commercial, monetary and technological West. The dissolution of the CMEA does not mean that the East European countries will renounce economic cooperation; the setting up of a new organization of manysided economic cooperation (forum, association) meets both the interests of each country in the area and the interests of building a general economic European system, the Foreign Ministry's spokesman also said.

In consideration of the existing understandings between Romania and Hungary, of the mutual abolition of visas for their visitors, a Hungarian Consulate at Cluj would hardly be justified by consular activities proper, the Romanian Foreign Ministry spokesman Traian Chebeleu told the regular weekly news conference Thursday. Therefore, the repeated requests of the Hungarian party to open a consulate are regarded with increased suspicion; they are suspected of being aimed not at facilitating bilateral relations, but at something else, Mr. Chebeleu said.

Ambassador Traian Chebeleu, Foreign Ministry spokesman, announced an aide memoire was being sent through Romania's embassies to all countries signatory to the Final Act of Helsinki in relation to the Treaty of Collaboration, Good Neighbourhood and Friendship concluded by Romania and the USSR on April 5, 1991, including the Romanian Foreign Ministry's remarks on certain provisions thereof. Mr. Traian Chebeleu said the dispatch of the aide-memoire was deemed necessary since allegations had been made in some foreign capitals that certain clauses in the said treaty would go against principles in the Final Act of CSCE. That refers chiefly to Art. 4 which is said to run counter the sovereign rights of the states as sanctioned by CSCE documents. We consider, the Foreign Ministry spokesman said, that provisions of the treaty have a solid political and juridical ground in the conception and principles of the Final Act of Helsinki and of the Paris Charter and that they fully agree with the joint declaration of the 22 states members of the treaty on conventional forces in Europe that they are no longer enemies and they will build new relations of partnership and collaboration.

Arrives in UAE, Holds Talks

AU2305153191 Bucharest ROMPRES in English 1355 GMT 23 May 91

[Text] Bucharest, ROMPRES, 23/5/1991—Official talks were held at the "Al-Mushri" palace of Abu Dhabi, between the governmental delegations of Romania and the United Arab Emirates, headed by Prime Minister Petre Roman and Shaykh Sultan Bin-Zayid Al Nuhayan, deputy prime minister of the government of the United Arab Emirates.

The talks were focused on investments of capital in Romania, industrial projects in the Emirates to be made by Romanian specialists, which is also shown by the structure of the delegations, which include portfolios such as economy and trade, oil an natural resources, finance and industry, representatives of the Ministry of Foreign Affairs etc.

Premier Petre Roman's address began by a general presentation of the present economic and political context in Romania and pointed on going changes and processes for creating a legal framework and a climate favoring foreign investments.

Agriculture, tourism and services were mentioned among the sectors that encourage foreign initiatives and investments projects. Ministers and experts from the United Arab Emirates who attended the talks the talks showed their interest in the possibility of making investments in Romania, and asked for studies of rentability in priority fields of the Romanian industry. In fact the cooperation between the two countries has already embarked along this track, as Romanian specialists in water supply, the building of reservoirs have worked in the Emirate, and Abu Dhabi local companies opened branches in Romania.

Meets UAE President, Others

AU2305194091 Bucharest ROMPRES in English 1900 GMT 23 May 91

[Text] Abu Dhabi ROMPRES, 23/05/1991—Premier Petre Roman, now on an official visit to the United Arab Emirates [UAE], was received by that country's president, Zayid Bin-Sultan al Nahayyan. Stress was laid on the occasion on the mutual interest in a number of domains of cooperation, such as agriculture, protection of vegetation, of the environment in general, but also in tangible projects—industrial, civil engineering—for which the Romanian companies have already taken a number of steps.

The Romanian premier also met a delegation of businessmen of the United Arab Emirates, members of the managerial council of the Chamber of Commerce and Industry, led by its president Al Haj Abdalla al Mohair By [spelling as received].

The Romanian head of government presented the potential partners from the Emirates the transformations occurred in Romania and its openness apt to facilitate the development of bilateral relations.

In his turn, the president of the Chamber of Commerce and Industry of the Emirates said that bilateral economic and commercial relations had developed lately, with a stagnation caused by the war in the Gulf. He expressed hope that relations would be resumed soon after peace was established in the region.

Danish Foreign Minister Pays Official Visit

Arrives; Met by Nastase

AU2305095091 Bucharest ROMPRES in English 0832 GMT 23 May 91

[Text] Bucharest, ROMPRES, 23/5/1991—Denmark's minister of foreign affairs, Uffe Ellemann-Jensen arrived in Bucharest Wednesday [22 May] evening on an official visit.

Upon arrival, the guest was welcomed by Romanian Foreign Minister Adrian Nastase, by the Danish ambassador to Bucharest Ulrik Helveg-Larsen and members of the embassy.

In a statement to the press at Otopeni Airport, the head of the Danish diplomacy defined the purpose of his visit to Bucharest as focused on discussing with his Romanian counterpart and other members of the Romanian Government the prospects of political and economic cooperation between the two countries.

This first visit to Romania of the Danish foreign minister after the December, 1989 revolution is, according to Romanian Foreign Ministry sources, important due to the opportunities it may create for the general relations between Romania and Denmark, reason for which the present stage of the bilateral cooperation will be minutely examined.

Begins Talks With Nastase

AU2305134991 Bucharest ROMPRES in English 1243 GMT 23 May 91

[Text] Bucharest, ROMPRES, 23/5/1991—Thursday morning [23 May] the official talks between the Foreign Minister of Romania Adrian Nastase and his Danish counterpart Uffe Ellemann-Jensen had as main topic, along the almost two hours' length, the wish expressed by both sides to intensify the bilateral political, economic and cultural relations and to render them permanent. The two sides agreed, for the purpose, to exchanges of visits at government, parliamentary and corporate levels.

The talks approached a number of economic problems, of mutual interest such as cooperation in agriculture, shipbuilding and training of managers.

Obviously, the range of problems approached did not skip major international issues.

Received by President Iliescu

AU2305160491 Bucharest ROMPRES in English 1358 GMT 23 May 91

[Text] Bucharest ROMPRES, 23/5/1991—Romania's President Ion Iliescu received on Thursday Mr. Uffe Ellemann-Jensen, Denmark's minister of foreign affairs. Several aspects of bilateral relations were tackled and both parties underlined their willingness to expand relations at various levels. Romania's present situation was reviewed, as well as the Danish perception of European developments. The parties evinced there were still unexplored possibilities to broaden bilateral relations. Denmark believes Eastern Europe is in danger of reaching a power vacuum, which could only be overcome by building up a network of bilateral relations between the countries in the area.

Upon conclusion of the interview, the Danish chief diplomatist said: We wish to strengthen relations between Denmark and Romania at every level; we have recently re-opened our Bucharest embassy, we have an ambassador accredited here and statistics show business circles have already initiated trade exchanges between our countries.

The meeting was attended by Adrian Nastase, Romanian foreign minister, and Ulrik Helweg-Larsen, Danish ambassador to Bucharest.

Significance of Nastase's London Visit Viewed

AU2305193391 Bucharest ADEVARUL in Romanian 14 May 91 p 1

["D.T."-signed editorial: "Let Us Not Get Drunk by Cold Water"]

[Text] On his return from an official visit in London, Foreign Minister Adrian Nastase told the press that this visit "marked the beginning of a new chapter in our bilateral relations." In this context, Adrian Nastase appreciated Romania's inclusion in the Know-How Fund as a "political gesture." "I underline the political significance of Romania' inclusion in this fund, something that is both a contribution to Romania's development and a smoothing of our relations in a certain area of cooperation"—Adrian Nastase said.

In light of these declarations, Romania's inclusion among the beneficiaries of the Know-How Fund of technical assistance is seen as a separate political gesture and a success for Romanian diplomacy by the average citizen, all the more so because this is corroborated by a Foreign Office statement according to which "this decision was made as a recognition of Romania's engagement on the road of reforms."

In reality, the aforementioned statement is purely a protocol, and London's political gesture has a slightly more modest dimension and a totally different significance: At long last, Romania too is accepted on the list of countries that will benefit from the Know-How Fund because Poland, Hungary, the CSFR, the Soviet Union, and Bulgaria have already been on this list for some time....

We find it important to specify things, and we also find it important to appreciate both our own actions and the other's "political gestures" toward us at their real value.

New Hungarian Daily Published in Country

LD2405024291 Budapest MTI in English 1916 GMT 23 May 91

[Text] Bucharest, May 23 (MTI)—"TRANSYLVANIAN DIARY" is the title of the new national daily to be published by the Analog Publishers PLC., of Oradea, Romania.

The first issue is set to come out on Friday, May 24, the first day of the congress of the Democratic Federation of Hungarians in Romania. The first edition will be printed in 20,000 copies.

To date, there was only one national daily published in the Hungarian language, "HUNGARIAN WORD".

Several Parties Merge To Form Democratic Party

AU2305191091 Bucharest ROMPRES in English 1801 GMT 23 May 91

[Text] Bucharest ROMPRES, 23/5/1991—The Alliance for Democracy, the Romanian Christian Social Democratic Party, the People's Party of Romania and the Romanian Popular Front (the Bucharest branch) merged forming the Democratic Party. Among the fundamental goals of the new party are the building of a democratic and reunited Romania, an equal and dignified partner in the community of European as well as world nations.

Independent Group for Democracy Issues Declaration

AU2405084391 Bucharest DREPTATEA in Romanian 17 May 91 p 1

["Declaration" issued by the Independent Group for Democracy; place and date not given]

[Text] Through the objectives of our group, we have been, we are, and we will always keep out of the race for political power, but we will never be apolitical. Therefore, we are not indifferent to who is or who will be holding the power in Romania.

We have supported and will always support everybody who makes a contribution to establishing democracy in our country. If our name has not yet appeared together with the name of other governmental groups, it is because they have never offered us an opportunity. Initiatives such as those started by Parliament member Mr. Claudiu Iordache will always be supported by the Independent Group for Democracy but, unfortunately, we cannot identify the National Salvation Front with such individual actions.

The profound democratic protest actions have always been an opportunity for bantering and distorting those actions both in Parliament and in the mass media controlled by the current leadership. The undesired result was to gradually radicalize precisely those people who understand how to take democratic actions and who have believed and continue to believe—who knows for how long?—in the intention to achieve the democratization of life in our country.

Examining all political actions and all stands that have been expressed by Mr. Corneliu Coposu and by the National Peasant (Christian-Democratic) Party in connection with the great problems confronting the current Romanian society, especially regarding the country's democratization and the situation of Romanians beyond the River Prut, the Independent Group for Democracy declares that it will be present at the rally of the National Peasant (Christian Democratic) Party rally on Friday 17 May, and it expects participants to voice political solutions that are able to pull the country out of its serious moral, political, and economic crisis.

We hope that during this demonstration those deputies and senators of Bucharest—regardless of political orientation—who, although have not lacked opportunity, still have not had direct contact with the electorate, will finally announce their presence.

The Independent Group for Democracy

UDMR Explains Reasons for Leaving Parliament

AU2305183891 Bucharest ROMPRES in English 1647 GMT 23 May 91

[Statement by the Democratic Association of Hungarians in Romania; place and date not given]

[Text] Bucharest ROMPRES, 23/5/1991—The group of UDMR [Democratic Association of Hungarians in Romania] deputies sent to ROMPRES a statement that says, among other things:

On May 21, 1991 the group of deputies of the Hungarian Democratic Union of Romania (UDMR) walked out of the session room "in protest against offending speech directed to the Hungarian minority during debates about the bill on allowances for war veterans."

"We firmly reject," the statement says, "any trends in the legislation which, by virtue of the principle of collective guilt, stigmatize and slander the Hungarian population of Romania.

"We insist that every war veteran, invalid or widow, regardless of his or her nationality should benefit by legal allowances, as citizens with equal rights. In accordance with the amendment adopted by Parliament we insistently demand of the relevant ministries to solve before the 6 months' legal deadline the validation of that right, through accords between states.

"With a view to accurately informing the public," the statement points out, "we believe it is necessary to publish the paragraph in question of the transcript of the session's minutes.

"We reiterate our readiness to take part in any constructive parliamentary activity, as a constitutive part of our struggle for democracy, for representing and safeguarding the rights of the Hungarian minority."

Vatra Romaneasca National Conference Analyzed

AU2205181791 Bucharest ADEVARUL in Romanian 14 May 91 p 5

[S.P. Achim article: "Vatra Romaneasca: Yesterday, Today, and Tomorrow—Romanian Missionaries in Romania—A Bridge of Flowers Over the River Prut on 16 June—A Future Debate Between Hungarian and Romanian Historians on Romanian Television?"]

[Text] The National Conference of the Vatra Romaneasca Union concluded in Cluj-Napoca on 12 May. At a news

conference, Valentin Borda, Ion Coja, Victor Constantinescu, and Petru Stetiu issued some details about this conference and the future intentions of Vatra Romaneasca.

For the time being, Vatra Romaneasca does not have a president, and its activity is directed by a National Guiding Council. At its next meeting, this body will nominate a president, three vice presidents, and a general secretary. Vatra Romaneasca has two publishing houses and two publications: "VATRA ROMANEASCA" and "TARA NOASTRA" [OUR COUNTRY].

The conference reaffirmed the equal distance of Vatra Romaneasca toward any party, although its members are allowed to participate in any political formation. Nevertheless, Vatra Romaneasca will continue to support the parties that promote a policy in harmony with our national interests, and will critically distance itself from the parties whose actions do not properly serve the Romanian aspirations.

Vatra Romaneasca does not judge all Hungarians in the same way; it has an individual approach that appreciates each individual according to his words and facts. There are also Hungarian members in Vatra Romaneasca. The conference also made public its desire to invite Hungarian historians who participated in the Eger Conference and specialists from Romania to a televised debate. Vatra Romaneasca will initiate the action of "Romanian Missionaries in Romnania" by sending Romanian professors and priests to Harghita and Covasna counties for one year, to replace those who were driven away from there.

Vatra Romaneasca regards the activity of our Ministry of Culture and Education as an "anti-Romanian policy." The recent agreement between the relevant ministries in Romania and Hungary, an agreement that regulates the equivalence of university diplomas from the two countries, has been severly criticized.

Vatra Romaneasca intends to organize events to mark the anniversaries of various important events and figures from the Romanian history. Vatra Romaneasca has begun to edit a number of works about Transylvania; however, it is necessary to continue to stimulate the elaboration of valuable documentary works about our national history, including their translation into widely-spoken languages. In connection with this, Vatra Romaneasca considers the activity of the Romanian embassies abroad to be totally unsatisfactory in counterbalancing the anti-Romanian propaganda, and it demands that all our cultural attaches be people of high cultural or scientific prestige.

Vatra Romaneasca supported our brothers in Bassarabia by donating books, textbooks, and other publications, and by providing financial help to Bassarabian pupils who are studying in Romania. Vatra Romaneasca leaders, however, have found out that a series of leaders of various political parties in Romania who visited Bassarabia denigrated the Romanian realities, including the activity of Vatra Romaneasca. Some of the initiatives of these politicians (aimed at only creating political advantages) cause more harm than good to Bassarabians because these actions only hinder their opportunities for action. As for the recently signed Romanian-Soviet treaty, Vatra Romaneasca thinks that the Parliament and the government in Chisinau [Kishinev] should be the first one to express their opinion about this treaty, and only then should our political forces express their opinion. In this context, it has been announced that, this year, the "Bridge of Flowers Over the River Prut" will take place on 16 June, with the opening of eight border crossing points. Thus, in a month's time, River Prut will again become a river that is binding people, rather than separating them.

Mesic Interviewed on Army, Ethnic Tensions

PM2305084691 Milan EUROPEO in Italian 24 May 91 pp 65-69

[Interview with Stipe Mesic by Gigi Zazzeri; place and date not given]

[Excerpt] [passage omitted] [Zazzeri] Mr. Mesic, until now the Army's interventions have served mainly to prevent the Croatian police from arresting the rebels. Why should things change?

[Mesic] Look, the troops now have powers that they did not have before: For instance, they could not use arms, so they could not do much. Now they have the means to intervene, and everyone will be able to see whether they use them well or badly.

[Zazzeri] On the subject of powers and authority: In recent months the military has treated the Croatian police and the Serbian rebels in the same way, as though they were two contending parties both with the same rights and both equally in the wrong. On occasions it has even accused the Zagreb government of forming illegal militia groups. How can your predictions be reconciled with all this?

[Mesic] It is the same old story. The Army, lacking instructions and orders, could only stand in the middle to keep the two contestants apart. Inevitably, by so doing, it favored the rebels, who have always been the first to strike, to kill. Now some points have been clarified: The only legitimate Croatian militia is that recognized by the Zagreb Interior Ministry; the rest are illegal. I am confident that the Army will follow this principle.

[Zazzeri] Your confidence is based on negotiations lasting days and days, which have reached a positive conclusion, for the time being, partly thanks to the seriousness of the latest spectacular attack at Borovo Selo.

[Mesic] Those groups were organized militarily, trained in the use of the most modern weapons that only the special police have here—that is, assault rifles with laser sighting equipment, snipers, which enabled the bandits to kill nine men at night, hitting them just were they were not protected by their bulletproof vests. Those who fired the shots were not Serbian peasants; they were terrorists, and well trained. One of them even asked us for an exchange. During the attack they took three prisoners and took them to Serbia. The man in question suggested that we release one of his men in exchange for our three boys. The deadline passed, and all we could do was recover their dead bodies. Meanwhile that criminal—his name is Sorkocianin—had himself interviewed on Belgrade television, boasting that he was one of the men who did the shooting at Borovo Selo. Now he has returned there, and we shall see whether the Army hands him over to us for trial.

[Zazzeri] It may be true that Serbian nationalism is fomented by Milosevic and that the men doing the shooting are organized terrorists and not ordinary people. The fact remains, however, that Serbs and Croats have never gotten along.

[Mesic] I only partly agree with the supposed incompatibility between these populations. For instance, the Serbs have lived in Slavonia, where I was born, since 1697, and it was the Croats who came later, but there have never been tensions between them. The only difficult areas are those where Serbian immigration is more recent. I am talking about movements dating back to the periods after World Wars I and II. There are indeed problems there.

[Zazzeri] To return to our starting point, why are the tensions occurring right now? How significant in the explosion of these conflicts is Belgrade's nationalist campaign? And what, then, is the remedy for Yugoslavia?

[Mesic] The remedy is not to be afraid to talk and negotiate. We—and I am talking about all the members of the presidency—have a difficult but crucial task, namely, to establish rules that will enable us to live as good neighbors. This is the cornerstone of our entire institutional and political edifice.

[Zazzeri] Could you explain that more clearly?

[Mesic] First, we must eliminate the disputes over the republic's borders. We all know that Milosevic wants a greater Serbia to the detriment of Croatia and Bosnia, and he is in agreement on this even with Vuk Draskovic and the Seselij Chetniks. They will slaughter one other, as happened at the beginning of March, over democracy or economic problems, but when there is talk of subjugating someone else, they are all agreed—both communists and royalists. The rights and duties of people living in Croatia are the same everywhere, an there are neither privileges nor oppression. In any case, Belgrade's charges were well founded, the Serbs of Croatia should be oppressed mainly where they are in a minority; that is where the revolts should break out. Instead they are rebelling in Kraijna, where they form 90 percent of the population and are in charge of everything—schools, hospitals, local authorities, enterprises. Clear evidence that this alleged apartheid is a complete fabrication.

[Zazzeri] The fact remains that the vast majority of Croatia's 600,000 Serbs want total autonomy from Zagreb, and even annexation from Zagreb.

[Mesic] You are talking about a referendum that the Constitutional Court did not recognize as valid. I am talking about official, legal borders. It is the case throughout Europe that there are countries dissatisfied with their borders, but they seek peaceful solutions, because there are problems that cannot be resolved with a magic wand or with tanks. The violation of a state's borders inevitably means war.

[Zazzeri] Mr. Mesic, if you were to find yourself at a crossroads, with pacification entailing a territorial sacrifice on one side and war on the other, which path would you take?

[Mesic] I do not like to play the political prophet, but I do want to say one thing: In my opinion, long negotiations—even the exhausting kind that seem to come to nothing—are always better than a war, albeit brief and waged successfully.

[Zazzeri] Let us return to your remedy for Yugoslavia's future.

[Mesic] Look, I have no remedies; I only have an idea, namely, that a common framework for all the republics be maintained, while leaving more scope for each of them to choose where to go.

[Zazzeri] What does a "common framework" mean? What functions and powers should be centralized?

[Mesic] Not many, I believe. Basically, I foresee the maintenance of a national army with the sole aim of defending the borders against possible attacks. Of course, a much smaller structure than at present, because it will be flanked by the military contingents that each republic decides to maintain. I also see a common foreign policy. But here too it will be up to each republic to decide what to do. It may happen that Slovenia, for instance, decides to open a consulate in a city where it has special economic interests. And why should it not do so? In such matters, as they say here, you get what you pay for. On the economic front, too, common lines of conduct could be found. But matters must be clear; we can no longer allow anyone to appropriate more rights than the rest.

[Zazzeri] What are you referring to?

[Mesic] I am referring to Serbia, which has now started appropriating our factories. Do you know what Ina is? No? It is a chain of gas stations. Well, it is a Croatian company, and the 200 stations distributed across Serbian territory were constructed by us, with our money. Now they have decided to nationalize them—without paying us a cent in compensation, of course. Such things may still happen now, but in the future they must become illegal if we want to continue to coexist.

[Zazzeri] What do you have to say about Slovenia, which will be independent from 22 June?

[Mesic] Well, what do you want me to say? Slovenia is accelerating the separation process as Yugoslavia's conflicts grow. But it has kept its representative in the collegial presidency, it has kept the currency, it has signed the economic agreements... We shall see what happens, but my impression is that it is in their interest, too, to take part in the current revision.

[Zazzeri] What are the most difficult obstacles to overcome on the road to this institutional and political revision?

[Mesic] The only real obstacle has a name. He is called Slobodan Milosevic. Even though he has changed his colors and pretends to be a socialist, he remains what he used to be—an old-style communist who pursued with unacceptable systems a policy that has failed everywhere.

[Zazzeri] Pardon me, Mr. Mesic, but were you not a communist, too?

[Mesic] Of course I was a communist, but what happened with me was very different.

[Zazzeri] Tell me about it.

[Mesic] It was 1965. I had recently become an attorney when I was elected mayor of my village, Slavonska Horahovica, in Slavonia, and deputy to the Sabor, the Zagreb legislature. I was the youngest Croatian legislator and I immediately adhered to the group that was convinced that it could make the system more democratic. Those were very busy years, full of enthusiasm. It was the Croatian spring, which was brutally terminated by Tito in 1971.

I was sentenced to two and a half years in prison, but I was lucky because I only served a year. It was very tough. There were 32 of us in a cell four meters by four; all together—common criminals and political prisoners. There was no heating, no water, no drainage. The walls dripped with humidity. There were plank beds all round the room, and in the middle we had two buckets—one for water, the other for slops. We could only write home once a month: They would give us a sheet of paper and a pencil, and orders not to exceed sixteen lines. If anyone did exceed it the censors would literally cut it off with scissors. I cannot boast of many experiences in this regard, but I believe it was one of the most terrible prisons in Europe.

[Zazzeri] What happened after your release?

[Mesic] The sentence was not over, because it was almost impossible to find a job. I was consistently excluded from public competitions as being "socially untrustworthy." After some years of this I had a lucky break. I introduced myself to an architect called Zarko Vincek, who had a construction firm. He immediately took me on as his deputy, and a few years later, when he retired, he presented me to the workers assembly as general manager. They voted for me unanimously, so I think I am the only political prisoner to have become a general manager 12 years after my trial. But nobody in that firm carried a party membership card.

Federal Prime Minister on Reform, Ethnic Conflict

PM2305094291 Paris LE MONDE in French 23 May 91 p 2

[Interview with SFRY Prime Minister Ante Markovic by Alain Debove; place and date not given]

[Text] [Debove] Yugoslavia's present crisis does not seem to surprise you.

[Markovic] When I took office two years ago, when I launched social reforms and spoke of the need to change the whole system, I expected it to take a period of five years. At that time, I was already saying that the path we were taking would be very difficult and that it would cost us all blood, sweat, and tears to make this transition

from one system to another. At that time I told the legislature that at a given point in the process, all the forces—conservative, retrograde, dogmatic, separatist, and hegemonist—would, through political and social tensions, unite against the economic reform program, against the architects of those reforms, to try and halt them and oust them.

I predicted all that, and we have now reached a critical point in the reforms. This is no surprise, the question was when it would happen. The government is therefore striving to implement the program that would enable the system to function and our action to be continued. The adoption of this program and the revival of the reforms is the answer to your question.

[Debove] Has this reform program not been relegated to second place by the political unrest and the interethnic conflicts—notably between Serbs and Croatians?

[Markovic] That is true, and it is politics that has halted the economic reforms. But the reforms are not just to do with the economy. They are concerned with the organization of the state and of society in general. The economic reforms have unfortunately revealed real underdevelopment in our country. The political reforms have highlighted a lack of democratic sense and experience. Current relations among the different nationalities are like a bottle whose cork has popped: old thinking is reappearing—emotions, irrational feelings, ethnic problems, religion, and so forth. The economic disparities are huge and the social tensions that are beginning to emerge must not be underestimated.

The Federal Government is fighting for reforms, for the democratization of society, and thus for a Yugoslavia without borders. But there are republics that, pushed by nationalism, are fighting for borders inside the country. The first idea must prevail. If I did not believe that, I would doubt progress.

[Debove] You said: We are at a critical point in the reform. But is the situation as critical as that?

[Markovic] Yes, it is critical and many factors bear witness to that. The economic situation is difficult and this halt in the implementation of reforms over the past seven months is bound to have harmful effects. The delays in economic change, especially for small and medium-sized enterprises, are causing social tensions and unemployment.

Opposing the constitutional amendments is an attempt to maintain a complex conservative Constitution. This produces insecurity for the citizen, for the nationalities, for the peoples, and for the republics—a general insecurity, a lack of confidence and tolerance. To overcome the situation, the reforms must be relaunched and the government is working in that direction.

In several spheres, our program has produced excellent results. At first, we had two possible courses—drawing up a substantial, gradual program, or destroying a system and building another on the ruins. I hope that the citizens of our country will not forget what this program brought them. That is why we believe that we have chances of succeeding, with the citizens' support, and by resuming the path of reform.

[Debove] You are talking of the support of citizens but not of the support of the republics....

[Markovic] Precisely, with the citizens' support. I must say, however, that we are also supported by several republics.

[Debove] Two camps are facing each other—the advocates of a strong and centralized federation (Serbia and Montenegro) and the advocates of a flexible confederation of sovereign states (Croatia, Slovenia, Macedonia, and Bosnia-Hercegovina). What is your position? Are there other solutions?

[Markovic] As far as the Federal Government is concerned, we are constantly trying to find a solution that is not definitive. A solution that is neither federal nor confederal. Above all, we are trying to define a new and minimal basis for relations between the republics, in the framework of a pluralist and democratic regime and within a common state.

The conflict between federation and confederation is irrational, as are many other things in our country. I do not think it will last long because economic and social problems will not permit it. All the republics absolutely must seek a rapid solution. None of them will be able to achieve the transition to a market economy alone. It is a question of cost: Will the transition all together be more costly or less costly than transition on an individual basis? Some republics may think that the cost will be less if they go it alone, outside Yugoslavia. But if you take account of the time needed—first to go on quarrelling, then to separate, then to settle our relations with the other republics and foreign countries, to define the internal borders—then the price is much higher! The price will be higher for each of us.

[Debove] After the nonelection of Croatian Stipe Mesic (because of Serbia's veto) as head of state, the collegial presidency is paralyzed. Are some republics not trying to destabilize the presidency, the legislatures, and the Federal Government?

[Markovic] Yes, of course. Instability suits some political forces that are boosting their power by manufacturing enemies. Peace would not suit them. Having said that, the collegial presidency is experiencing a crisis, the other bodies are functioning—the legislature and the government that is entirely homogeneous. We are implementing the decision made recently by the presidency and legislature to find peaceful and democratic solutions to the recent conflicts between Serbs and Croatians in Croatia and in Kosovo. It is not true that everything has stopped, although we have not overcome the crisis.

Of course, the government is answerable to the legislature, but the presidency has its say if the deputies do not

reach a consensus on a bill. It is desirable therefore that it should start functioning again.

[Debove] The unstable situation does not encourage foreigners to give loans or invest. Are you able to continue your program without the help of international financial bodies?

[Markovic] The reforms implemented so far have been achieved almost completely without foreign aid. Last fall, the currency reserves were $10 billion and the international bodies gave us between $300 million and $400 million. For the past seven months, the program has been at a standstill. The cost of overcoming the crisis will therefore automatically be higher than expected. Production has dropped by 20 percent, currency reserves have fallen. Consequently, we need foreign aid. As for U.S. aid, President Bush told me on the telephone on Monday evening that he supported the economic reforms and the democratization of society. He also expressed the importance he attaches to Yugoslav territorial integrity.

[Debove] How long can you withstand this crisis, and do you think that nationalism will die down, that the nationalist leaders will lose their influence?

[Markovic] Economic and social problems are on the increase. All the political forces will therefore very soon be obliged to tackle them. Each republic alone or all together. This is the only solution and without it the consequences will be very serious. I think that this stage in the crisis will have to be overcome before the end of the year.

[Debove] Will you not be held responsible for these problems? The Serbs, Croatians, and Slovenians will say: this is all Mr. Markovic's fault... so let us solve our own problems!

[Markovic] That might happen. But autonomy and sovereignty means that the republics would take responsibility for economic and social problems.... They cannot avoid that. With one problem after another, the situation will continue to deteriorate. Moreover, the discontent is directed increasingly at the republic governments. During the last strike in Serbia, for instance—700,000 workers—my government was not criticized. The anger was directed against the Serbian authorities.

Presidency To Be Given Chance To Function

LD2305173291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1258 GMT 23 May 91

[Text] Belgrade, 23 May (TANJUG)—The SFRY Presidency exists and it should be given a chance to prove whether it is able to function. It will have to show very soon what it is capable of doing within the framework of its constitutional rights and duties.

This is the SFRY Assembly leadership's stand on the crisis in the state Presidency, which Ranko Djukic, secretary of the SFRY Assembly's Information Service, revealed to journalists today.

The SFRY Assembly is prepared to conduct a discussion and consider all available ways of overcoming a possible vacuum which could arise if the SFRY Presidency ceases to function, Djukic said.

JNA-Slovene Challenge, Maribor Events Reported

Slovene View on JNA Service; Dispute Noted

AU2305141791 Belgrade Radio Belgrade Network in Serbo-Croatian 1333 GMT 23 May 91

[Dragoslav Kosaric report]

[Text] The Republican Executive Council of Slovenia today discussed the proposal and views concerning the implementation of amendments to the federal law on military service, in which a delegation of the Yugoslav People's Army [JNA] recently played a mediating role.

After the discussion, the Slovene leadership sent a written answer to Federal Executive Council President Ante Markovic and Federal Secretary for National Defense General Veljko Kadijevic. Does this answer mean that relations between Slovenia and the JNA have intensified?

[Kosaric] The stands of the Slovene government state among other things that this republic has been striving since July last year to ensure that the majority of draftees from this Slovenia do their military service in JNA units on the territory of their own republic.

This demand was regarded as a compromise solution, but, as the letter says, some small progress was made. For these reasons, according to the Slovene government, this republic has itself regulated military service and because of the serious situation in Yugoslavia has made a decision on a moratorium on military service in the JNA.

Point three explicitly states that the military service is conducted is accordance with the Republic Constitution and laws, stating that the Slovene Assembly has not ratified the federal law on amendments to the law on military service.

The Slovene Executive Council, as the letter points out, does not see any real need that would force the JNA to prematurely take over the responsibilities concerning military service because federal laws enable them to wait until the final decision of Slovenia.

The letter warns that the JNA demands only from Slovenia that it hand over records before the deadline determined by the federal laws. The undoubtedly relatively quick answer of the Slovene government to Prime Minister Markovic and Federal Secretary for National Defense Veljko Kadijevic, is a consequence of yesterday's serious warning by Slovene Assembly deputy Colonel Aksentijevic, who said that the deadline for handing over lists of draftees expires today and that, if this is not done in accordance with the decision at the

federal level, the consequences will be borne by those who caused this with the policy of a fait accompli, Aksentijevic said.

Let us finally say that just over one hour ago, Radio Maribor station carried the news that the JNA [words indistinct] center at the foot of Pohorje in which the recruits of the future Slovene army are currently being trained. Radio Maribor said that the guards in the center this morning detained two JNA members near this center, questioned them, and then released them.

According to colleagues in Radio Maribor, this was the reason for the Army to react by surrounding the center. We have not yet received any official confirmation or statement on this event by republican or Army authorities.

Slovenia Begins 'Partial Mobilization'

LD2305174191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1715 GMT 23 May 91

[Text] Ljubljana, 23 May (TANJUG)—Slovena Defense Minister Janez Jansa said at this afternoon's news conference that today's incident in Maribor between Yugoslav People's Army and the Slovene territorial defense is "an attempt to provoke Slovenia into a conflict like the one in Split, and then to occupy Slovenia partly without a formal proclamation of a state of emergency."

The commander of the Slovene territorial defense, Colonel Jazez Slapar revealed that a partial mobilization of the reserve force of the Slovene territorial defence is under way.

Defense Minister on Army Activity

AU2305193091 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 23 May 91

[Text] We will continue the program with a detailed report about the afternoon news conference held in Ljubljana, at which representatives of the Secretariat for National Defense and the Secretariat for Internal Affairs, and Colonel Janez Slapar, the acting Commander of the Territorial Defense Headquarters, talked about the current events in Pekre and the activities in connection with them. [Slovene] Defense Minister Janez Jansa was the first to speak at the news conference.

[Begin Jansa recording] Two anonymous citizens reported at 0830 this morning to the guard of the Pekre Training Center that suspicious persons were moving in the center's vicinity. To be precise, two armed persons wearing camouflage uniforms were spotted near the training center.

The guard at the training center notified the security commander. After he had checked the information with the those on duty at the Regional Territorial Defense Headquarters, the commander ordered the area surrounding the training center searched.

This search was carried out by a division of soldiers from the Center's Security Unit in accordance with the regulations. The division encountered two soldiers in camouflage uniforms and, according to the regulations of the Armed Forces, disarmed them without any incident or conflict.

The two men were taken to the training center and we talked to them. It was proven that we had captured Second Lieutenant Zeljko Cogo and soldier Goran Nikolic, from the Slava Klavora Garrison in Maribor. After we had established their identity and they had explained why they were near the training center—they claimed that they were performing an orientation exercise— we returned their weapons to them, and both were escorted to the exit of the training center.

After this event, at 1230, armored personnel carriers arrived outside the training center, carrying members of the Yugoslav People's Army [JNA] in full combat gear and in protective jackets. At 1430 more armored vehicles joined them. At the same time we noticed the activities of a tank unit that was training at the nearby military training ground.

At the moment, all these military police units are still stationed outside the training center in Pekre. Direct contact was made between the leadership of these units and the heads of the Center. More senior officers of the Maribor Corps have arrived at the scene of events during the day. From all these talks we learned the following:

First, we have witnessed the reaction of the leadership of the Maribor Corps regarding this morning's event.

Second, the headquarters of the Fifth Military District was not notified about this action. We discovered this after establishing direct contact with the Fifth Military District Headquarters.

Furthermore, it was proved that the initial demands imposed by the JNA representatives, which were very strict—they demanded that the center be evacuated and all documentation be handed over to them—have been talked over and in the end the representatives, that is to say, the Command of the Maribor Corps, demanded and is still demanding only a reconstruction of this morning's event.

That is all I have to say about the event. Permit me to say a little more about the background, which is highly probable, and is reflected in the following facts:

Several military units have been transported via Varazdin to Maribor in the last few days. The last such contingent, a police unit in armored vehicles, arrived last night. Over previous nights some smaller units also arrived—primarily the military police. Therefore, the personnel stationed in Maribor has recently been strengthened with an additional 16 armored combat vehicles. At the same time, all the units within Maribor had their combat readiness raised to the highest level during today.

Half an hour ago, people in Maribor's Begova Street blocked five T-55 tanks heading in the direction of the

training center. According to the latest information the tanks changed their direction and turned back. Half an hour ago we learned that the armored brigade in Vrhnika is also on alert. In connection with this, it is interesting to note that, just as the commander of the Fifth Military District had promised, a great number of draftees, who had been called in or kept in the units within Slovenia after they had completed their national service, have been released. Nevertheless, some of them—and here I refer to Vrhnika in particular—have been replaced by a new contingent of reserve forces from Serbia. This change was carried out in Vrhnika in the last 24 hours.

To briefly assess the situation—information is still coming in—I can say that all that has been happening is, in our opinion, an attempt to provoke a conflict in Slovenia, perhaps to provoke something similar to what took place in Split, and in this way partially occupy Slovenia without formally announcing a state of emergency.

At this time, a month before the date set by the Law on the Plebiscite, this would significantly hinder all processes of Slovenia's independence, which would probably be the strategic goal of such a provocation.

In connection with this, I must inform you about a case that is not directly linked with all this, but will in this heated atmosphere make the situation even more tense. An hour ago, we received an official report from the Administrative Service of the JNA in Radovljica, that a Slovene soldier died in Varazdin at 0720. According to the official information this was an accident. Pardon me, I meant to say in Vukovar. [end recording]

'Greater Conflict' Possible

LD2305212191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1825 GMT 23 May 91

[Excerpts] Ljubljana, 23 May (TANJUG)—"I do not exclude the danger of the incident developing into a greater conflict," Slovene Defense Minister Janez Jansa said at a news conference in Ljubljana this afternoon regarding the events that took place this morning and today in Maribor. Jansa first read to journalists the official statement of the Republican Secretariat for National Defense regarding the incident in the Pekre training center near Maribor, assessing that on the basis of this incident, it can be concluded that the buildings of the training center were under observation, and that there were several persons involved and not only the two who were detained. Jansa also noted that the command of the Fifth Military District was not properly informed about this event.

On the background to the Maribor events, Jansa cited details of the reinforcement of the Yugoslav People's Army [JNA] units on Slovene territory—Maribor, Vrhnika—in the last 24 hours. The JNA is today at the greatest degree of combat-readiness, Jansa claims. [passage omitted]

Igor Bavcar, head of the Slovene police, said that his department is carrying out tasks within its authority, trying to calm the situation in Maribor, and that it is ready for possible alternative measures, if necessary.

The commander of the republican territorial defense, Colonel Janez Slapar, only said that a partial mobilization of the territorial defense units in the region of the Republic of Slovenia is being carried out.

Commander Arrested; Reaction

LD2405075691 Belgrade TANJUG Domestic Service in Serbo-Croatian 0628 GMT 24 May 91

[Text] Ljubljana, 24 May (TANJUG)—[Slovene] Republican Secretary for Defense Janez Jansa has told Radio Slovenia that last night's forced entry by members of the Yugoslav People's Army into the offices of the Maribor Municipal Assembly and the detention [odvodenje] of the commander of the territorial defense for the eastern Stajer region, Lieutenant-Colonel Vladimir Milosevic, is an unprecedented and impermissable act.

Jansa also said that the Slovene Presidency President Milan Kucan had spoken by telephone with Fifth Military District Commander Colonel-General Konrad Kolsek, who apparently said that all those detained would be released after questioning.

Jansa also said that according to some reports, a section of the Army that was surrounding the Territorial Defense Center in Pekre has withdrawn.

Army Withdraws Blockade of Defense Center

LD2405081191 Belgrade TANJUG Domestic Service in Serbo-Croatian 0722 GMT 24 May 91

[Text] Maribor, 24 May (TANJUG)—The armored and other Yugoslav People's Army units that blocked approaches to the training center of the Slovene territorial defense in Pekre yesterday and last night withdrew early this morning.

Recruits of the Slovene territorial defense and territorial defense officers are in the center, the directorate of the center has stated, and training and lessons will resume today according to the set timetable.

Slovenian Secretariats Protest Army Arrest

LD2405091591 Belgrade TANJUG in English 0827 GMT 24 May 91

[Text] Ljubljana, May 24 (TANJUG)—The secretariats for National Defence and Internal Affairs of the Yugoslav Republic of Slovenia issued this morning an announcement on the "kidnapping of Lt.-Col. Vladimir Milosevic, chief of the provincial territorial defence staff of eastern Styria."

The announcement said that talks with representatives of the Yugoslav People's Army (YPA) [JNA], led by Gen. Mico Delic, were resumed at 01:15 this morning, when it was

noted that the resulting situation in the vicinity of the Pekre Training Centre was unacceptable. The Slovenian delegation suggested that soliders and armoured vehicles should pull back, while a parity commission should be appointed to neutrally clarify the events of yesterday morning, to verify statements by participants in the events, and to carry corresponding conclusions. The YPA representatives had agreed to set up the parity commission.

Around 01:45, as is said in the announcement issued by the two secretariats, three YPA members broke into a room where talks were being held and kidnapped at gunpoint Lt.-Col. Milosevic. The Slovenian delegation immediately lodged a sharp protest with Gen. Delic "who, however, together with the other YPA officers and military police members, had left the room and the building of the Maribor municipality."

Among other details, the announcement said that the available data showed that "obviously a delegation of the 31st Corps, headed by Gen. Delic, had agreed to a resumption of talks only with the intention to take advantage of the talks for a fraud, which was a highly uncivilized act, and, according to provisions of the international military law, was not acceptable even in times of war."

For this reason, and because of the YPA's abuse of all its powers, the competent bodies of the Republic of Slovenia have undertaken certain warning steps that would remain in effect until the release of Lt.-Col. Milosevic and his aide—said the announcement.

Yesterday morning, members of the territorial defence of Slovenia captured two YPA soldiers outside Maribor suspecting them to be deserters, as was explained. They had held the soldiers until the competent YPA command sharply reacted.

Tense Situation in Maribor Described

AU2405092091 Vienna Oesterreich Eins Radio Network in German 0500 GMT 24 May 91

[Gerhard Seifried report from Maribor]

[Text] Today people in Slovenia are worriedly watching the developments in Maribor. The tanks and soldiers of the Army that have laid siege to a training center of the Slovene Territorial Defense Forces since yesterday noon were allegedly withdrawn during the night. However, reports from Maribor say that the commander of the Maribor Territorial Defense Forces and at least one other recruit are being detained by the Army.

Shortly after midnight, Army soldiers reportedly entered a conference room in the local administrative building of Maribor in a surprise attack. Negotiations between representatives of the town of Maribor, the Army, and the Territorial Defense Forces were under way there. The military put an end to the meeting and took the commander of the Maribor Territorial Defense Forces to their barracks, where he is said to be at the moment, together with another prisoner, as one probably has to call it.

If there were not a criticial situation all over Yugoslavia, one could shrug off the events of Maribor as a game of cowboys and Indians. However, it is difficult to believe that this is a chain of coincidences and not a deliberate provocation by the Army: the military operation yesterday caused by a minor incident; the arrest of the commander of the Slovene Territorial Defense Forces last night; alleged troop movements from Varazdin in Croatia to Maribor over the past few days; the replacement of Slovene Army soldiers on Slovene territory by Serbian reservists; in addition, the threat of the Maribor military commander to destroy the base of the Territorial Defense Forces in Pekre near Maribor. This facility is located near the Maribor world championship slope. Another training facility exists in Ig, a few kilometers outside Ljubljana.

Slovenia no longer sends its young men to the [Yugoslav] People's Army and intends to withdraw all soldiers serving there. The young men are now drafted into the Territorial Defense Forces—a militia that has been in existence for more than 20 years and is of particular importance now, shortly before Slovenia's independence is to be declared.

The units are under the command of Ljubljana, and this accelerated expansion of Slovenia's own national defense is probably a pain in the neck for the military.

The fact that yesterday the death of a Slovene soldier in Vukovar, in western Croatia, has become known. He died under unclear circumstances, the Army speaks of an accident.

The Slovene leadership is holding permanent meetings. Nothing was known about the results of a meeting yesterday evening. In the meantime, the extended republic Presidency, with head of government Lojze Peterle, the defense minister, and the interior minister, has convened.

Peterle called on the people to keep calm. The Slovene politicians seem to be eager not to provide any excuse for claiming that a verbal provocation has been made. According to Slovene Defense Minister Janez Jansa, the Army is on high alert. He warned it against a partial occupation of Slovenia. In Ljubljana, where the past hours have been generally calm, two armed soldiers of the People's Army were conspicuously patrolling a bridge in the city center.

Slovene Presidency on 'Premeditated' Incident

LD2405122191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1131 GMT 24 May 91

[Text] Ljubljana, 24 May (TANJUG)—The checking of the identity papers of two uniformed and armed persons who were in the immediate vicinity of the Pekra training center and who turned out to be Yugoslav People's Army [JNA] members, was just a pretext for a wide-sweeping

and premeditated action against the Slovene Territorial Defense and legal republican bodies. This was the assessment of the Presidency of the Slovene Republic, which in an expanded session discussed—at an emergency meeting—the situation in the wake of the blockade of the Pekra training center near Maribor and the arrest of the provincial commander of the Slovene Territorial Defense, which forcefully put an end to negotiations.

The Presidency of the Republic of Slovenia, as stated, sees this JNA action as a brutal demonstration of force and a violation of Slovene sovereignty at the most sensitive period of the Slovene independence process, when it is trying to ensure peaceful and democratic solutions and guarantee a negotiated settlement.

Peterle on Financial Aspects of Division

AU2305125691 Ljubljana NEODVISNI DNEVNIK in Slovene 10 May 91 p 4

[Text] Ljubljana—The first one to speak at a news conference held after yesterday's [9 May] session of the republican executive council with an extremely voluminous agenda was Prime Minister Lojze Peterle. He told journalists that (also yesterday) he sent [Federal Prime Minister] Ante Markovic and the presidents of all republican governments a letter containing the principles of initiating the process of establishing the mutual rights and obligations of the Republic of Slovenia and the Federation. After presenting the contents of the letter to the journalists, Lojze Peterle answered several questions.

In reply to the question on what is happening at the moment in Yugoslavia to the south of Slovenia, the president of the Republican Executive Council said that a truce, that is, a compromise has been reached although it is not clear what reaction different political forces may have to it. He added that the Yugoslav People's Army took advantage of the tense situation in Croatia to introduce the highest level of combat readiness and movements in Slovenia as well, about which it failed to inform civil authorities. Everything is now focusing on the question of the change of the president of the Federal Presidency, but the situation in Slovenia is not such that it would require extraordinary measures. "We do not believe that anybody is threatening Slovenia, and this is why the reinforcement of borders seems to us illogical," Peterle said, adding that negotiations will be held when the partner is ready for talks.

Proposal of Principles for Establishing Mutual Rights and Obligations of the Republic of Slovenia and the Federation

At its session held on 8 May 1991, the Slovene Assembly decided to start the formal procedure of the separation of the Republic of Slovenia from the SFRY and informed the SFRY Assembly about this. On this basis, the Executive Council proposes the principles of establishing mutual rights and obligations.

The final establishment and delimitation [razmejitev] of rights and obligations is only possible through negotiations that can be opened on the basis of some principles adopted in advance; the Slovene Executive Council therefore proposes the following principles for establishing financial rights and obligations:

A. Financial Obligations and Liabilities

—The Republic of Slovenia takes upon itself its part of the foreign debt in convertible currency that is designated to specific republics.

—In the case of liabilities that are not designated to specific republics, the Republic of Slovenia will take upon itself a share that equals its share in the liabilities designated to specific republics.

—In dividing the liabilities to countries operating on the basis of clearing accounts, the share of the Republic of Slovenia will equal its share in the exports to the clearing account area.

—In dividing liabilities in convertible currencies not designated to specific republics, Slovenia's share will be established by its share in the convertible currency exports.

—The Republic of Slovenia is against the Federation and the National Bank of Yugoslavia incurring new liabilities and taking new loans to settle old debts without the consent of the Republic of Slovenia.

—The Republic of Slovenia agrees to pay for the parts of the already agreed loans of the World Bank and other international financial institutions that were used in Slovenia.

—The Republic of Slovenia will accept and verify the Federation's new guarantees for the loans of the World Bank and other international financial institutions that are in the process of adoption and that will also be used by Slovenia.

—The National Bank of Yugoslavia is responsible for obligations ensuing from the citizens' dinar deposits in Slovene banks and the Federation is responsible for obligations ensuing from the citizens' foreign exchange deposits.

—The Republic of Slovenia will take a share of the foreign exchange reserves that are at the disposal of the National Bank of Yugoslavia, a share that equals Slovenia's share in the convertible currency exports of the SFRY in the time following the reprogramming of the Yugoslav debts.

—The Republic of Slovenia and the Federation will mutually clear [pobiti] the remaining financial obligations and liabilities established by law.

B. The Division of Non-Financial Property

—The Republic of Slovenia will take over the facilities and equipment in Slovenia that are being used by the services of the Federal Administration for performing tasks that are in the federal competence (customs

service, traffic and communications, and inspections) simultaneously with taking over their competences. The facilities and equipment of the Yugoslav People's Army will be taken over by Slovenia gradually by the end of 1993.

—The Republic of Slovenia will also take over other facilities and equipment in Slovenia that are meant for the activity of the federal and international institutions.

—Facilities and equipment of the federal services located in the capital of the SFRY and abroad will be taken over by Slovenia at a share corresponding to the average 10-year share (original contributions to the federation and standard contributions).

—Facilities and equipment that the Republic of Slovenia has in other republics and that other republics have in Slovenia are not subject to delimitation because their ownership has already been established.

—Facilities and equipment of other republics that are the property of citizens and legal persons of the Republic of Slovenia, as well as facilities and equipment in Slovenia that are the property of the citizens and legal persons of other republics are not subject to division because their property has already been established.

—The property of the federal commodity reserves and other property of the Federation is shared according to the average 10-year share in the overall contributions to the federal budget.

—Until an agreement is reached about the distribution of the federal property, the Federal Executive Council introduces a moratorium on the sale and transformation of that property.

C. Other Obligations and Competences

—The Republic of Slovenia will take over the workers employed in the SFRY administrative services who performed duties in the federal competence if these workers agree to this.

— To the persons with permanent residence in Slovenia whose offices, that is, jobs in the federal services cease due to independence, the Republic of Slovenia will ensure rights according to regulations applying to officials, that is, workers in the state organs of the Republic of Slovenia.

—The Republic of Slovenia is taking upon itself the obligation to protect rights of veterans, war disabled, members of the families of veterans killed in the war, and military pensioners with permanent residence in the Republic of Slovenia or in Friuli-Venezia Giulia in the Italian Republic and in Carinthia in the Republic of Austria in the volume and under the conditions established by SFRY regulations.

—The Republic of Slovenia ensures a contribution for the protection of Slovene citizens living abroad.

—The Republic of Slovenia will take over the state archives of the SFRY that are stationed on the territory of the Republic of Slovenia and archives that originate on the territory of the Republic of Slovenia.

—The Republic of Slovenia will equally exercise its rights and obligations that stem from international trade and financial agreements, bilateral agreements, and agreements with international organizations signed by the SFRY.

—Enterprises located in the Republic of Slovenia will keep their former share in commodity, labor, and other quotas and licenses, and use benefits in international exchange that ensue from international and interstate agreements of the SFRY.

D. Performance and Finances of Operations for the Republic of Slovenia

—During an agreed period of time, the federal administrative services will perform especially agreed operations (flight control, designation of radio frequencies) also for the Republic of Slovenia, that is, its physical and legal persons.

—Within an agreed period following the separation, the Republic of Slovenia will ensure a financial contribution for the activity of the services of the Federation and the Yugoslav People's Army to the extent to which these organs perform duties needed by the Republic of Slovenia.

An agreement on establishing mutual rights and obligations is in the interest of all Yugoslav republics and the Federation, because this is the only way to prevent a chaotic breakup of the Yugoslav economy and a negative reaction by the international financial institutions, which would affect all the republics. Mutual rights and obligations stemming from life together so far should be established in any case, whatever the future setup of relations in Yugoslavia.

Slovene News Briefing on Military Service Law

LD2305190391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1709 GMT 23 May 91

[Text] Ljubljana, 23 May (TANJUG)—At its session today the Slovene government voiced Slovenia's readiness in its independence process to resolve the "military question" gradually, without the use of force and guaranteeing the social and other rights of active and other members of the Yugoslav People's Army [JNA] on its territory.

The conclusion followed an intervention two days ago by a delegation of the JNA headed by Fifth Military District Commander General Konrad Kolsek, during talks in Ljubljana in connection with the changes and amendments to the federal law on military service.

This was stated at today's news conference called after the government session, and it was stressed that military

service is being carried out in Slovenia in accordance with the constitution and the laws adopted in the Slovene Assembly.

The Slovene Assembly has not ratified the federal law on changes and amendments to the law on military service, and it is therefore not applied in Slovenia. The republican government has established that the federal law on military service requires JNA authorities to carry out the tasks set out under this law until 30 June.

The Slovene Executive Council, the statement says, sees no need for the JNA to undertake any premature experiment in assuming powers in connection with military service, because the federal law enables them to wait until the final decision of Slovenia on its independence. Since this decision will be taken on 26 June, there is no sense in the civilian bodies in Slovenia handing over the relevant documents to the federal military authorities for one month.

The changes in the federal law on military service should apply to the whole of Yugoslavia, but on the basis of information from other republics, the Slovene Executive Council, the statement says, "has reason to conclude that the JNA is demanding only of Slovenia that it hand over documentation on military recruits before the expiry of the deadline set by the federal law."

Insistence on this demand, the republican government considers, could cause unnecessary conflict that would force Slovenia to hasten the independence process.

At the same time, insistence on such a demand, regardless of formally contrary stands of the military leadership, would mean, the statement says, that there is a desire to deliberately exacerbate the security situation in Slovenia.

At the news conference, Republican Secretary for Information Jelko Kacin was asked about the truth of the information that the JNA has surrounded the territorial defense training center in Pekre, near Maribor. Minister Kacin stated that he had no details on this and that the question would have to be presented to the minister responsible for military issues.

Ljubljana Daily Warns Against 'War of Nerves'

LD2405100591 Belgrade TANJUG in English 0909 GMT 24 May 91

[Text] Ljubljana, May 24 (TANJUG)—The Ljubljana daily DELO warns on Friday that the "Republic of Slovenia must not give in before the chain of provocations, threats and incidents invited by the Yugoslav People's Army (YPA) [JNA] and the Yugoslav Federal Government."

If Slovenia wavered now at these first temptations it may as well have renounced independence in advance, the paper notes.

The paper was commenting on the Thursday incident, when members of the Slovene Territorial Defense near Maribor seized two YPA members releasing them only after a YPA unit surrounded the training center of the Slovene Territorial Defense. DELO describes the army intervention as an "unexpectedly brutal show of power, a month before June 26, when Slovenia is to become independent from Yugoslavia."

The vast majority of citizens in Slovenia came in favor of this republic becoming independent from Yugoslavia in a referendum held late last year.

The army action on Thursday is described by the paper as a "hazardous testing of Slovenia" and a "war of nerves", which is being "carried out by the Federal Government and the Army - the two institutions which were strenuously urging the preservation of a status quo."

Tudjman Chairs Croatian Supreme Council Session

LD2305205191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1916 GMT 23 May 91

[Excerpt] Zagreb, 23 May (TANJUG)—At its session today, presided over by President Franjo Tudjman, the Supreme Council of the State of the Republic of Croatia came to the conclusion that "recent events in Croatia and Yugoslavia, and especially the blocking of Stipe Mesic's election and the outcome of the referendum, have consolidated both domestic and international position of the Republic of Croatia".

It is said in a statement that at the session the State Supreme Council considered "the political situation in both Croatia and Yugoslavia; the outcome of the referendum and preparations of a number of resolutions connected with it; the coming session of the republic's assembly on Statehood Day; and preparations for the inspection of the national guard and police units."

Reference was also made to the conduct and the role of the Army and an inspection team of the Federal Secretariat for Internal Affairs in implementing the decisions of the Yugoslav Presidency and to cooperation in setting up a legal system and legitimate authorities of the Republic of Croatia on its entire territory.

New actions were recommended to suppress terrorism, unlawful activities by intelligence services of other republics on the territory of the Republic of Croatia, and to ensure the functioning of the rule of law.

It was said that Serbia and Montenegro would probably continue to obstruct the functioning of the Yugoslav Presidency. Similar activities can be expected vis-a-vis other federal institutions. It was said that "this accentuates the need to accelerate efforts to reach an agreement on an alliance of sovereign states or, if this is not possible, on dissolution." It was also said that "the rule of law must function during the transition period since legal anarchy would be grist to the mill of the proponents of military intervention and war".

At its session today the Council was satisfied to establish that the results of the referendum confirmed in a convincing way the resolve of the Croatian people and all the

citizens of Croatia to defend sovereignty, freedom, and democracy. It is particularly important that a large number of Serbs and members of other nationalities in Croatia took part in the referendum and voted for the sovereignty of Croatia, as did citizens from Istria, Slavonia, and Dalmatia who were the target of the activity aimed at breaking up the unity of Croatia concerning questions of sovereignty and democracy.

The results of the referendum "put an obligation on the leadership and assembly of the Croatian Republic—from the political point of view—to pass decisions on the protection of sovereignty and independence, on the creation of new relations between Yugoslav states and the promotion of the cultural autonomy of Serbs and members of other nationalities." [passage omitted]

Croatian Information Ministry Criticizes YUTEL

LD2305175291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1905 GMT 22 May 91

[Text] Zagreb, 22 May (TANJUG)—A reply to a deputy's question forwarded to this evening's session of the Croatian Assembly, cites, among other things, a stand by the Croatian Ministry for Information that "it is not necessary to transmit YUTEL programs on Croatian Television."

In the reply, Croatian Information Minister Hrvoje Hitrec stated that "in extremely serious crisis situations, YUTEL only causes confusion and disquiet, as well as protest and indignation among the Croatian viewing public."

YUTEL is trying to present itself as a supranational television, wanting to give the impression that "Croatian Television is national and restrictive in its selection of news from other regions, that it is unprofessional and separaristic seen from the point of view of YUTEL program makers, whose basic impostacija [tone] is a rigid Yugo-unitarism under the guise of "broad outlooks" on some tribal disputes and similar television channels," Hitrec says. He then goes on to add "YUTEL does not speak the Croatian language, it is imposing an alphabet on the Croatian people, and is equating legal with illegal." The Information Ministry believes that cooperation with YUTEL could be realized in other ways, for instance, by taking from YUTEL information that Croatian Television does not have, the reply to the deputy's question states among other things.

Int rnal Affairs Official on Knin Situation

LD2305154591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1256 GMT 23 May 91

[Text] Knin, 23 May (TANJUG)—"Our first impression after arriving in this crisis-stricken area is that the situation is more complex than we thought", Jovan Trmcic, head of the administration in the Federal Secretariat for Internal Affairs [SSUP], has said. Trmcic is heading a SSUP team that has been in the Knin area for the past three days.

We are here, Trmcic stressed, "to help create a climate of trust and understanding, to talk, and thus to create conditions for averting interethnic conflicts." Trmcic also added that today's handing over of the arrested policemen of the Croatian Ministry for Internal Affairs to the Bosnia-Hercegovina internal affairs bodies is the first result of the visit of the SSUP inspectors to the crisis area.

It is up to the Bosnia-Hercegovina Ministry for Internal Affairs to establish whether there are grounds for criminal prosecution. Jovan Trmcic pointed out the willingness of all protagonists in the crisis area to talk and seek a peaceful solution. This is encouraging.

On the basis of this, Trmcic concluded, we assess that even more encouraging results on the stabilization of the situation can be expected soon. He also stressed the correct conduct of and cooperation with the Knin Secretariat for Internal Affairs. Trmcic stated that public information media can and ought to contribute to the normalization of the situation in this area.

Croatia Approves Consulates, Deputy Ministers

LD2405053491 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 22 May 91

[Summary] The Croatian government approved at today's session the opening of a Greek consulate in Zagreb and a Belgian consulate in Dubrovnik. At the same session, Vinko Kamdzija was appointed deputy minister for foreign affairs of the Republic of Croatia, and Milovan Baletic was appointed deputy minister of information.

Democratic Party Urges Early Elections in Serbia

LD2305194991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1330 GMT 22 May 91

[Text] Belgrade, 22 May (TANJUG)—The executive committee of the Democratic Party deems that no valid reason exists for the establishment of program unity of the united Serbian opposition, which does not mean that organized cooperation on specific joint political goals is not necessary, a statement which was issued today stresses.

The executive committee of this party holds that it is now necessary to improve relations within the united Serbian opposition and remove all understandings, so the opposition can function more effectively in political life. The statement goes on to say that the Democratic Party is now paying most attention to crucial issues which are more important than formal ones in connection with the organization of the opposition. However, a final decision on the path and character of the Democratic Party within the united Serbian opposition will be adopted by the main committee of this party.

The statement says in conclusion that the Democratic Party urges early elections for the Serbian legislature under equal conditions for all parties and according to the system of proportional representation.

Envoy to U.S. Hopes For Annulment of Amendment

LD2405042691 Belgrade TANJUG in English 2220 GMT 23 May 91

[Text] Washington, May 23 (TANJUG)—Yugoslavia's Ambassador to the United States Dzevad Mujezinovic said today that the Nichols Amendment contains elements which clash with Washington's policy towards Yugoslavia.

At a meeting with U.S. Congressman Dan Rorabacher, Mujezinovic expressed hope that the amendment on suspending economic aid to Yugoslavia would be annulled.

The congressman from California protested against what he said was Yugoslavia's disregard for the established rules of the democratic game. This behaviour casts a shadow on and raises doubts about the ultimate goal of those who are blocking the work of the Yugoslav Presidency, he added.

Rorabacher also said that the Nichols Amendment is only one of the possible measures and that Yugoslavia may expect tougher measures of economic pressure and blockade if force is used against the democratic regimes.

Ambassador Mujezinovic resolutely refuted the U.S. prejudice that nothing has changed in the Yugoslav Republic of Serbia.

He also expressed regret about Washington's set opinion of developments in Serbia and pointed up the emergence of independent press, a strong opposition, a wide-spread process of privatization and market reforms. Ambassador Mujezinovic also said that democratic forces in Serbia will shortly come to grips again in local elections.

Spokesman Views International Relations Issues

LD2305203291 Belgrade TANJUG in English 1910 GMT 23 May 91

[Text] Belgrade, May 23 (TANJUG)—Yugoslav Federal Government Spokesman Dr Srdjan Kerim Thursday refused to comment yesterday's statement by Montenegro's representative in the state Presidency, Dr Branko Kostic, that a statement by U.S. Ambassador to Yugoslavia Warren Zimmermann, represents direct interference into Yugoslavia's internal affairs.

Kerim told a regular press conference at the Yugoslav Foreign Ministry that "it is not the practice in world diplomatic circles to evaluate the work of a foreign ambassador."

In an interview to TANJUG on Tuesday Zimmermann said that the alleviation of the consequences of the Nickles amendment, which suspends all economic aid to Yugoslavia, will depend on whether Croatia's representative in the country's eight-member collective head of state, Stjepan Mesic, will be elected as Presidency president.

Kostic told TANJUG that Zimmermann had "probably for a moment forgotten that he is not in the United States of America, where he can take part in the election of his country's president, but in Yugoslavia."

Kerim told newsmen that U.S. Secretary of State James Baker sent a message to Yugoslav Foreign Minister Budimir Loncar proposing that the two meet during the Conference on Security and Cooperation in Europe (CSCE) ministerial council in Berlin late next month.

Kerim set out that the question of the political situation in Yugoslavia can be included in the CSCE agenda only if all participants reach a concensus. Yugoslavia will agree to be discussed by the Berlin meeting only if "the debate is directed towards supporting integrity and democratic development," Kerim said.

"We appreciate the interest of all our foreign friends," Kerim said and underscored the European Community's support for a (?united) Yugoslavia and the federal government's reforms.

Kerim refused to comment Slovenian Foreign Minister Dimitrij Rupel's criticism of a speech by Loncar at the Pentagonal meeting in Bologna.

He recalled that Loncar has sent a letter to Rupel reminding him about Pentagonal support for the integrity of Yugoslavia, based on reforms, democratic development, the full respect of human rights in all parts of Yugoslavia and a peaceful solution to the crisis.

Loncar had asked Rupel if everything mentioned by the Pentagonal with regards to Yugoslavia, is also not in the interest of [words indistinct]